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TODAY: SPORTS Davis Cup, Page 20

White House Will Assist Inquiry Into Phone Calls

Review Is Expanded To Fund-Raising By the President

By Brian Knowlton
International Herald Tribune

WASHINGTON — Aides to President Bill Clinton promised Sunday to cooperate with a newly announced Justice Department review that could ultimately lead to the appointment of a special prosecutor to investigate whether Mr. Clinton illegally placed fund-raising telephone calls from the White House.

Asked about the review, Mr. Clinton shrugged off questions. "I don't know anything about it," he said to reporters on a flight back to Washington from San Francisco, where he had taken part in three fund-raising affairs. "I don't really know anything about it."

But the Justice Department announcement that it had opened a 30-day review of whether the president made illegal calls from the White House during the 1996 election year constituted the first time the department has said that the president's actions in office must be examined for possible criminal violations. Federal law bans political fund-raising on government property.

The announcement Saturday came after months of intense pressure from Republicans for such an investigation, and after a similar review was ordered of phone calls placed by Vice President Al Gore.

Even as White House aides promised to cooperate with the review, they were cautious about what Mr. Clinton might or might not have done.

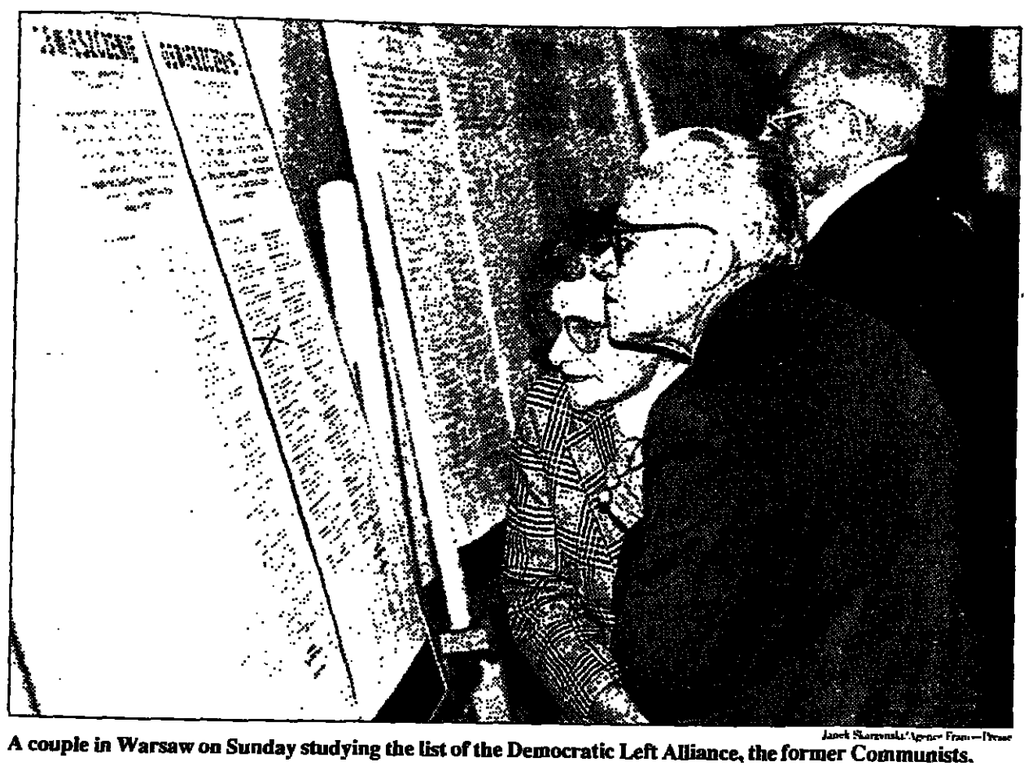
A senior White House adviser, Rahm Emanuel, said on CNN that "we plan on cooperating." As to whether Mr. Clinton had made fund-raising calls from the White House, Mr. Emanuel repeated the substance of what the president had said before: "He may have, he may not have, he doesn't remember whether he did or did not."

Mr. Clinton's criminal defense lawyer, David Kendall, said that no laws had been broken and that "any kind of enforcement action would be absolutely unprecedented."

The review, ordered by Attorney General Janet Reno, came two weeks after she ordered a review of 86 phone calls placed from the White House by Mr. Gore.

In each case, if the review turns up "specific and credible information"

See DONORS, Page 10



Janek Skarzynski/Agence France-Presse

A couple in Warsaw on Sunday studying the list of the Democratic Left Alliance, the former Communists.

Early Exit Polls Put Solidarity Ahead

The Associated Press

WARSAW — While Polish voters were still weighing loyalties between Solidarity and the former Communists in parliamentary elections Sunday, the two major political blocs were already bidding for coalition partners.

Solidarity took an early lead, according to preliminary exit polls that showed the former trade union with 36.2 percent of the vote, compared with 25.5 percent for the governing Democratic Left Alliance, the former Communists.

But analysts cautioned against predicting a Solidarity victory based on the survey of 20,000 voters across Poland.

Solidarity often takes an early lead on the strength of voters who go to polling stations before or after Sunday Mass, only to see it fade by the time polls close, as was the case in the 1995 election when Aleksander Kwasniewski defeated Lech Walesa to become president.

Turnout lagged throughout Poland, with 45 percent to 50 percent of eligible voters casting ballots.

Neither of the two dominant parties were expected to win a clear majority in the balloting, which would mean that the leader would need to form a coalition with any of the half dozen fringe parties expected to win seats in Parliament.

■ Ideology Is Key to Outcome

Jane Perlez of The New York Times reported earlier:

The new abundance in Poland is evident everywhere in the supermarket parking lot.

Smoked salmon and delicate pastries were among the goodies Kristina Ostap, a 50-year-old dentist, tossed onto the back seat of her car.

All around, shopping carts were being wheeled out of the Geant supermarket — part of a French chain — stuffed with fresh fish and meat, vegetables and brand-name mineral water.

Poland held parliamentary elections Sunday, and as middle-class shoppers in the Warsaw suburb of Ursynow loaded their trunks at the start of the weekend, they found it hard to deny the almost giddy rise in their living standards during the last four years under a government of former Communists.

Nevertheless, surprisingly few of them said they would vote for the Alliance even though the former Com-

See POLAND, Page 10

Kohl's Rivals Falter In Hamburg Election

Poor Showing in Stronghold Dims Social Democrats' Hopes for 1998

By William Drozdiak
Washington Post Service

HAMBURG — Germany's Social Democrats suffered their worst electoral showing since World War II on Sunday in one of their traditional political strongholds, dealing a serious blow to their hopes of recapturing power in national elections next year.

The mayor of Hamburg, Henning Voscherau, a popular Social Democrat tipped to become finance minister if the party succeeds in defeating Chancellor Helmut Kohl's government, took personal responsibility for the setback. He announced his resignation Sunday night after nearly 10 years in office, acknowledging "sadness and very bitter disappointment" with the results.

Early returns in the country's only regional election this year showed the Social Democrats would lose at least seven seats in this city-state's assembly but remain the largest single bloc. The Christian Democrats looked like they would gain seven seats and improve their share of the vote.

State election officials projected that the Social Democrats had taken 36.2 percent of the vote, down from 40.4 percent in 1993, while the Christian Democrats had won 30.7 percent, up from 25.1 percent.

The Greens held steady at 14 percent, raising a strong possibility that the Social Democrats may bring the environmentalist party into government here in a "Red-Green" alliance that now looms as the strongest potential challenge to Mr. Kohl's attempt to secure a record fifth term at the head of his center-right governing coalition.

The biggest surprise, however, was a breakthrough by the far-right German People's Union, which may occupy up to eight seats if the final tally shows it surmounted the 5 percent minimum needed to be represented in the assembly. The emergence of a xenophobic, anti-immigrant party in a port city that has long touted its tolerance for foreigners shocked many mainstream politicians.

Since the fall of the Berlin Wall, Hamburg has endured a huge influx of foreigners from Eastern Europe and the former Yugoslavia. Unemployment in Germany's second biggest city, with 1.7 million citizens, has soared to 13 percent. Crime and drug-dealing have also

See HAMBURG, Page 10

G-7 Targets Japan Surplus

The Group of Seven leading industrial nations issued an unusually explicit warning against an "excessive" depreciation of the Japanese yen that could further inflate Tokyo's already soaring trade surplus. Page 11.



Larry Chan/Reuters

The financier George Soros, speaking Sunday in Hong Kong.

Soros Calls Mahathir A 'Menace' To Malaysia

By Alan Friedman
International Herald Tribune

HONG KONG — The international financier George Soros on Sunday branded Prime Minister Mahathir bin Mohamad of Malaysia "a menace to his own country" and "a loose cannon" who should not be taken seriously.

Mr. Soros was responding to repeated accusations by Mr. Mahathir that he and other speculators were responsible for Southeast Asia's recent currency and financial turmoil.

The blistering attack by Mr. Soros was made 24 hours after Mr. Mahathir told a World Bank gathering here that currency trading should be made illegal.

"I know I am taking a big risk to suggest it, but I am saying that currency trading is unnecessary, unproductive and immoral," Mr. Mahathir said Saturday night. "It should be stopped. It should be made illegal. We don't need currency trading. We need to buy money only when we want to finance real trade."

On Sunday, Mr. Soros said: "Dr. Mahathir suggested banning currency trading. This is such an inappropriate idea that it doesn't deserve serious consideration. Interfering with the convertibility of capital at a moment like this is a recipe for disaster. Dr. Mahathir is a menace to his own country."

The U.S. Treasury secretary, Robert Rubin, while saying he had not read Mr. Mahathir's speech, said at a news conference here Saturday that "currency trading is an inherent and very important function in a modern and global economy, and it is integral to global trade."

When Thailand's currency crisis caused the Malaysian ringgit and other regional currencies to crash

See SOROS, Page 10

Getting a Piece of the Caspian Oil Prize

By Stephen Kinzer
New York Times Service

BAKU, Azerbaijan — In donating $300,000 to Democratic Party organizations during the 1996 campaign, an ambitious businessman named Roger Tamraz sought access to President Bill Clinton and other senior officials so he could ask them to support his project for a new oil pipeline from the Caspian Sea.

Last week, Mr. Tamraz's efforts to buy access to the White House emerged as a key issue in Washington's campaign finance investigations. But in the drama now unfolding around the Caspian, Mr. Tamraz is a bit player and $300,000 a laughably small sum.

The big players are Russia, Iran, the United States and other countries; such huge companies as Amoco, Pennzoil and Exxon, and lobbyists with names like Kissinger, Haig, Baker and Brzezinski. They and every shark east of Suez have recognized that over the next decades, the greatest of games will be played around the Caspian.

A 'perfect leader' in Baku, Page 2.

Forget mutual funds, commodity futures and corporate mergers. Forget South African diamonds. European currencies and Thai stocks. The most concentrated mass of untapped wealth known to exist anywhere is in the oil and gas fields beneath the Caspian and the lands around it, regions at best dimly familiar to even the most assiduous newspaper readers.

The stakes are enormous; the value of the vast reserve, capable of fueling the industrial world for years to come, is measured in trillions of dollars, and foreign companies are expected to invest $50 billion or more to extract it.

The implications of this bonanza hyp-

See OIL, Page 10

Defying UN, Arabs Give Gadhafi Landing Rights

By Douglas Jehl
New York Times Service

CAIRO — Arab countries voted Sunday to defy United Nations sanctions by permitting planes carrying Colonel Moammar Gadhafi, the Libyan leader, to land on their territory and to permit other flights for religious and humanitarian purposes.

The resolution approved by the Arab League is an explicit rejection of the sanctions imposed on Libya since 1992 over its refusal to surrender suspects wanted in the United States and Britain in the 1988 bombing of a Pan American World Airways plane. It was destroyed over Lockerbie, Scotland, killing more than 270 people.

Colonel Gadhafi and his government have flouted the sanctions at least four times in the last three years, including a trip he made to Cairo 15 months ago for an Arab summit meeting.

The decision, which was approved by 18 Arab foreign ministers Sunday, underscores the sense of solidarity felt in the Arab world for Colonel Gadhafi.

It also reflected some of the rekindled animosity felt in recent months toward the West — and the United States in particular — for what is widely regarded as unevenhanded support for Israel in the latest crisis in the quest for peace in the Middle East.

Together with the Labour government in Britain, Washington has been the prime proponent of an unyielding line toward Libya. While the United States and Britain have demanded that Libya hand over the suspects for trial in their countries, Colonel Gadhafi has proposed that the two men be tried in a third country or at the International Court of Justice in The Hague. Britain and Washington have rejected that proposal.

The Tripoli government first violated the travel ban

See ARABS, Page 10

AGENDA

Davis Cup Final: U.S. vs. Sweden

The United States, behind the scorching serves of Pete Sampras, eliminated Australia on Sunday to gain the Davis Cup finals. Sampras beat Patrick Rafter, the U.S. Open champion, 6-7 (6-8), 6-1, 6-1, 6-4, to give the United States an insurmountable 3-1 lead in the best-of-5 semifinals.

The United States team will travel to Gothenburg, Sweden, for the Nov. 28 to 30 final. Sweden defeated Italy, 4-1, after sweeping Sunday's reverse singles. Page 20.

Protest Over Ramos

Hundreds of thousands of Filipinos gathered Sunday in a central Manila park for a rally to protest a feared bid by President Fidel Ramos to remain in office beyond his legal term. Mr. Ramos earlier sought to defuse tensions by saying categorically that he would not run for re-election. The vote is scheduled for May. Page 4.

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Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S.-Mil. (Eur.)	$1.20

Malaysia Slams the Door On a Troubled Neighbor

8-Foot Barrier Closes Part of Thai Border

By Thomas Fuller
International Herald Tribune

PEDANG BESAR, Thailand — Bicha Ponboon, a sprightly man in his early 20s, lives on Wall Street, an address that has more in common with downtown Manhattan than just a name. Mr. Bicha's neighborhood is full of dealers and traders whose main business centers on commodities and a thriving service industry.

But unlike in Manhattan, the Wall Street in Pedang Besar runs parallel to a very real wall. Topped with barbed wire, the eight foot (2.4 meter) concrete structure separates Malaysia from Thailand, running along the edge of town before disappearing into the jungle.

Mr. Bicha uses the Malaysian-built structure to help support the corrugated metal roof of the small dwelling he shares with his older sister and her two small children, who on a recent visit were glued to the television set that sits squarely against the border wall.

Down the road, entrepreneurial Thais have set up an outdoor casino in an area intended as a no man's land between the two countries. Free from police interference from either side, gamblers stand around three betting tables, trying their luck at an array of southern Thai and Chinese games. Nearby are dozens of karaoke bars, cocktail lounges and massage parlors, most of them doubling as brothels.

The border here has long been a religious and cultural transition point, separating largely Muslim and socially more conservative Malaysia from Buddhist, more freewheeling Thailand. But today it also stands as an economic fault line, dividing wealthier and politically stable Malaysia from its financially strapped and politically weak neighbor.

Talk throughout the region in past

See WALL, Page 10



Mark Fellander

Yuga bin Pak Itam, an aboriginal border guard, surveying the wall that separates Malaysia from Thailand.

'Is There Anything He Has Not Achieved?' / **Aliyev Rebuilds Azerbaijan**

From KGB Maestro to Oil Kingdom's Chief

By Stephen Kinzer
New York Times Service



BAKU, Azerbaijan — At the sprawling Pasaj market in central Baku, there is little subtlety in people's praise for President Heydar Aliyev.

"Is there anything he has not achieved?" asked one smiling fruit vendor. "Oh, he is a perfect leader," added another. A third, evidently not wanting to be outdone, asserted, "He is like a second God to us."

Azerbaijan was in chaos when Mr. Aliyev emerged from a messy power struggle in 1993 and then called a presidential election, which he won with a reported 97 percent of the vote.

Food was scarce, Armenian troops were marching through Azerbaijani territory, and warlords had reduced the land to virtual anarchy.

Today, the country is stable, if not prosperous. Food is plentiful for those who can afford it, and foreign oil companies are beginning to tap vast reserves, which promise great wealth. The inflation rate has dropped to less than 10 percent a year from more than 1,000 percent.

At home, Mr. Aliyev has disarmed the warlords and has shown a masterly ability to balance the interests of the foreign powers that are casting covetous eyes on Azerbaijani oil.

"He's carrying this whole country on his shoulders," said Charles Schroeder, one of hundreds of Americans who have come here seeking to share in the oil bonanza. "Without him we'd really be in trouble. A lot of people didn't like him at first, but now you don't hear a bad word about him. He's a very smooth professional, and he plays the game very skillfully."

Critics say, though, that Mr. Aliyev's autocratic style has hindered the development of democracy. His government limits press freedom and harasses dissidents, imprisoning and reportedly torturing those who will not heel.

In the countryside, and even in Baku, the capital, some poor people are beginning to wonder when their lives will begin to improve.

For the time being, however, Mr. Aliyev towers.

"People gravitate toward him because he has such a huge personality," said Eldar Namazov, one of the president's closest aides. "No one can doubt what he has done for this country. When he came to power, Azerbaijan was collapsing as a state. He accomplished a mission comparable to Ataturk in Turkey or de Gaulle in France. He took over a ruined state and restored it under incredibly difficult circumstances.

"Politics is everything for him," Mr. Namazov continued. "It is his work, his hobby and his life."

To his opponents, however, Mr. Aliyev's outsize personality is cause for concern.

"He is a classic Soviet leader," said Leyla Yunusova, an opposition figure who heads a human-rights group called the Institute of Peace and Democracy.

"He perfectly understands our people and the slave mentality we have fallen into over the last 70 years. His tools are control over people's livelihood, blackmail, corruption, propaganda and, if nothing else works, police repression."

Mr. Aliyev, 74, spent much of his career in the Soviet security police, rising to the rank of general in the KGB and heading its apparatus in Azerbaijan.



NYT

Shades of the Soviet tradition. Portraits of President Heydar Aliyev can be seen in every school and office across Azerbaijan.

IN 1969, under the patronage of the Soviet leader Leonid Brezhnev, he became the Communist chief of Azerbaijan. Later, he was named to the Politburo in Moscow.

Mikhail Gorbachev forced Mr. Aliyev from power in 1987 and he returned to his hometown to watch the political collapse of the Soviet Union that he had served for nearly half a century.

After the pro-Western leaders who led Azerbaijan to independence in 1991 proved unable to control the country, he staged a triumphant comeback, portraying himself as the strong hand the country needed.

Mr. Aliyev has never been known as a modest man, and in Baku it is difficult to avoid his image. Posters of him hang in schools, shops and offices. Along many roadsides, billboards have sprung up bearing quotations from his speeches, such as, "I have devoted my entire life to my country."

Recently, Mr. Aliyev designated June 15 as a new holiday called National Salvation Day. On that date in 1993, he arrived in Baku from his home region of Nakhichevan and began the political maneuvers that ultimately led him back to power.

In dealing with foreign oil companies that are vying for the great wealth beneath the Caspian Sea, off Azerbaijan's coast, Mr. Aliyev has used the skills he accumulated in a lifetime of political maneuvering.

He takes pains to show that he remains strong and vigorous, but some foreigners here say he has gathered so much power into his own hands that if he were to die suddenly, the country could descend into chaos again.

"When he's out of the country, everything stops," said a foreign ambassador posted in Baku. "People hardly even dare to fix a leaking toilet without his approval."

13th-Century Journal Surfaces, Or Does It?

Doubts Shroud Account of Trip to China

By Nicholas D. Kristof
New York Times Service

On an August day in 1271, if the story is to be believed, a four-masted ship sailed into the crowded harbor of Zaitun in southeast China, carrying a gray-bearded Italian Jewish trader named Jacob.

An account of Jacob's voyage, placing him in China four years before Marco Polo arrived, has surfaced in Italy. It provides extraordinary images of a civilization that was the most dazzling in the world, describing everything from mass-circulation pornography to an early flamethrower. It recounts how he spent six months in Zaitun and became embroiled in Chinese political debates so fierce that he had to flee for his life.

Scholars say that if the manuscript is authentic, it is an immensely important find, a major new source of information about life in medieval Asia.

Little, Brown and Co. is publishing an English translation of the manuscript in November, and a reading of an advance copy suggests that while it lacks the scope of Marco Polo's epic tale, it has similar historical significance and perhaps greater drama.

Zaitun, from which the English word "satin" is derived, was then one of the busiest ports in the world, and Jacob describes "a city of measureless trade" whose "streets are crowded with a vast ebb and flow of men and carriages." He is awed by its fabulous wealth but deeply troubled by what he sees as its moral depravity, particularly among the city's women.

"Thus these give no value to being chaste, just as others think adultery no shame, nor even to bear children without concern, whom often they secretly kill," writes Jacob, who identifies himself as the son of Salomone of Ancona, a city in northern Italy. "All these go about the streets wearing stuff so thin that a man may see their bodies, so immodest is their dress, may God spare me for what my eyes have seen."

He describes a city riven by debates that echo those of today, with elderly scholars condemning young people for promiscuity, for homosexuality, for feminism, for coddling criminals and above all for being obsessed with making money.

"They bow down and worship the ancestors no more," a leading scholar complains of young people to Jacob. "It is for money and possessions alone that their foreheads touch the earth.

"Now, both young men and young women are in a state of desire, not being satisfied with those things which life brings to them, and being driven to wander in search of pleasures and of other things which are acceptable to them."

A major problem for contemporary scholars is that the translator of Jacob's manuscript, David Selbourne, a 60-year-old British scholar who taught the history of political philosophy for many years at Oxford, says that he cannot make the original text available to anyone else.

Mr. Selbourne says he was allowed to see the manuscript and publish it only on condition that he not show the original to others or reveal anything about the identity of the owner.

Inevitably this will raise questions about authenticity.

"I wrestled with my own doubts about translating a manuscript to which others would not have access," Mr. Selbourne said. "I decided, as I became aware of the gift that I had in my hand, that I had a responsibility to make its contents known."

Frances Wood, a leading British scholar of medieval China and author of a book casting doubt on whether Marco Polo ever went to China, said that she had not read Jacob's manuscript and so could not judge its authenticity. She added that the refusal to show the original to other scholars is "a major problem" and "a great pity."

But Ms. Wood said that Jacob's journey would have been entirely possible, given what is known about the period, and she added that she found the idea of a sea journey as Jacob describes more plausible than the land route claimed by Marco Polo. She emphasized that an account of such a journey would be of enormous historical significance.

"It's fantastically important, because we know terribly little about that period," she said.

Jacob's intent differs from that of Marco Polo, whose manuscript is more of a guidebook about China than a first-person account of a journey. Marco Polo's work is far more comprehensive, for he said he spent 17 years in China and was a trusted figure in the court of Kublai Khan, the Mongol emperor, whereas Jacob's manuscript is more of a first-person adventure story about his visit to a single city.

Yet some experts have long doubted whether Marco Polo ever really went to China, suspecting that instead he cribbed from Persian guidebooks about China to write a book that would win him fame and honor. Marco Polo uses Persian names for Chinese cities, rather than Chinese names, and he surprisingly makes no references to such ubiquitous features of Chinese life as drinking tea and foot-binding.

In contrast, there is no possibility that Jacob was seeking fame with his manuscript, for his account includes constant disparaging remarks about Christians. If the manuscript had become public in his lifetime, he would have risked severe punishment, and Mr. Selbourne speculates that the manuscript was kept secret for so many centuries precisely because it is so profoundly anti-Christian.

It is known that many European traders visited China and perhaps lived there, for there are tantalizing remnants in China such as a tombstone in the city of Yangzhou of an Italian girl named Katerina who died in 1342. But because of the turbulence in China over the centuries, little is known of these foreigners or of the daily life of the cities where they lived.

In the 13th century, China was probably the wealthiest and most advanced country in the world, with the biggest cities, the greatest shipping, the best doctors and the most sophisticated technology.

Jacob describes with awe the process of printing with movable wooden type, along with such wonders as paper money, free daily newspapers and mass-circulation booklets — although he laments that many of these are "wicked and base, having images of the act of love and cruel misdeeds."

He offers one of the first descriptions of the use of gunpowder, when he describes a Chinese cannon and what sounds like a primitive flamethrower: "Using a magical powder that bursts and which they place in a tube of iron or copper, they can throw a swift and flying fire to a great distance, and to the great harm of a foe."

53 Reported Massacred by Raiders Near Algiers

Compiled by Our Staff From Dispatches

ALGIERS — An armed group killed 53 civilians in a nighttime raid and then mutilated and burned the bodies in the latest violence in Algeria, a newspaper reported.

The newspaper, Le Soir d'Algerie, said the massacre took place early Saturday morning in Guelb Kebir, a village about 60 kilometers (35 miles) south of the capital.

It said that the attackers slit the throats of the victims, who were mostly women and children.

There was no claim of responsibility. Such mass killings are often attributed to Islamic militants seeking to overthrow the government, which is supported by the military.

Although the government has failed to suppress the militants, it has intensified efforts before local and regional elections that are scheduled Oct. 23 and after several recent massacres near Algiers panicked residents there.

In other violence, security forces killed 19 armed militants in several missions, witnesses and independent newspapers reported Sunday.

Three Islamic activists were killed Saturday night in Bab el Oued, an Algiers neighborhood that is considered to be a Muslim fundamentalist stronghold. The deaths were reported by residents, who did not give their names for fear of reprisals.

After a seven-hour siege, government security forces penetrated a carpenter's shop 200 meters from the Sunna Mosque, killing the militants, the residents said.

Two independent newspapers, L'Authentique and El Khabar, reported Sunday that three Islamic militants were killed Friday inside the El Feth Mosque in eastern suburbs of Algiers.

The newspapers also reported a search-and-destroy mission by government forces in the Tizi Ouzou and the Z'barbar regions about 100 kilometers south of Algiers.

During the two-day operation on Friday and Saturday, 13 activists were killed, the newspapers said.

The militants began the insurgency in 1992 after the army canceled legislative elections that fundamentalist parties were poised to win. The fighting has left more than 60,000 people dead. *(AP, AFP)*

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TRAVEL UPDATE

New Swiss Carrier to U.S.

GENEVA (Reuters) — Swiss World Airways will offer trans-Atlantic service from Geneva to New York and Miami, beginning in December.

SWA was created to fill in the gap left by the decision last year by the national carrier Swissair to switch most of its loss-making long-haul flights from Geneva to Zurich.

SWA will operate out of its home base in Geneva's Cointrin Airport serving western Switzerland and Alpine France. It will fly two leased Boeing 767-300 extended range 210-seat wide-body airliners, the company said Friday, and American Airlines will handle its U.S. marketing.

A cruise ship struck with an outbreak of influenza on its way south from Canada was sanitized after docking this weekend in New York City, clearing the way for its return to the seas. At least 65 of the 2,100 passengers and crew aboard the Westerdam received medication for what health officials said was a virulent strain of Influenza A.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
Showers will dampen New England Tuesday, then cool with sunshine Wednesday and Thursday. Sunny and comfortable in the Northeast. The Northwest and the northern Plains will be warm with plenty of sunshine. Cloudy and cool with showers in the central and southern Rockies.

Europe
Sunny and warm across most of England and France Tuesday through Thursday. Soaking rain is in store for southern Italy and northwestern Spain; comfortable with some sunshine over the rest of Spain and Italy. Chilly with showers from Poland to Moscow and St. Petersburg.

Asia
Sunny and nice in Seoul Tuesday, but showers are likely by Thursday. Cool with increasing clouds in Beijing Tuesday, then showers Wednesday and Thursday. Plenty of sun in Shanghai through the period, while Hong Kong will be humid with showers. Showers are possible in Tokyo each day.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	26/79	17/62 pc	26/79	18/64 sh
Amsterdam	19/64	11/52 s	19/66	13/55 pc
Ankara	17/62	-1/31 s	18/64	2/35 s
Athens	32/71	13/55 s	24/75	16/61 pc
Barcelona	21/70	14/57 pc	22/71	15/59 pc
Belgrade	21/70	7/44 s	22/71	12/53 pc
Berlin	18/64	10/50 pc	19/66	12/53 pc
Brussels	19/66	11/52 c	19/66	12/53 pc
Budapest	19/66	8/46 s	21/70	10/50 pc
Copenhagen	17/62	11/52 pc	18/64	14/57 s
Costa Del Sol	26/79	16/61 s	27/80	18/64 sh
Dublin	16/64	12/53 pc	19/66	12/53 pc
Edinburgh	18/64	9/48 s	18/64	13/55 s
Florence	25/77	13/55 pc	24/75	13/55 pc
Frankfurt	18/64	8/46 pc	20/68	11/52 pc
Geneva	22/71	11/52 c	21/70	10/50 sh
Helsinki	11/52	2/35 pc	11/52	7/44 s
Istanbul	17/62	8/46 s	20/68	13/55 pc
Kiev	13/55	7/44 c	17/62	7/44 pc
Las Palmas	24/75	17/62 s	23/73	15/66 pc
Lisbon	23/73	16/61 pc	23/73	18/61 pc
London	22/71	11/52 s	21/70	12/53 pc
Madrid	29/84	12/53 pc	27/80	12/53 pc
Mallorca	24/75	15/59 pc	26/79	16/61 pc
Milan	24/75	14/57 c	23/73	13/55 c
Moscow	9/48	4/39 r	11/52	4/39 pc
Munich	18/64	7/44 s	18/64	8/46 pc
Nice	22/71	16/61 c	23/73	16/61 pc
Oslo	10/61	9/48 c	19/66	14/57 s
Paris	20/68	9/48 s	19/66	11/52 pc
Prague	18/64	7/44 s	18/64	9/48 pc
Reykjavik	13/55	10/53 r	13/55	15/59 c
Riga	13/55	6/43 c	11/52	9/48 c
Rome	25/77	14/57 pc	25/77	16/61 r
St. Petersburg	9/48	2/35 sh	7/44	7/44 c
Stockholm	13/55	7/44 pc	14/57	12/53 s
Strasbourg	22/71	10/50 pc	21/70	11/52 s
Tallinn	11/52	3/37 pc	9/48	8/46 c
Tbilisi	18/64	9/48 r	19/66	11/52 c
Venice	23/73	13/55 pc	21/70	13/55 pc
Vienna	19/66	9/48 pc	19/66	11/52 pc
Warsaw	16/61	7/44 c	17/62	8/46 pc
Zurich	19/66	11/52 sh	19/66	11/52 pc

Middle East

Abu Dhabi	42/107	24/75 s	41/106	23/73 sh
Beirut	27/80	22/71 c	28/79	18/64 pc
Cairo	31/88	17/62 s	29/84	16/61 pc
Damascus	27/80	9/48 s	27/80	11/52 s
Jerusalem	24/75	12/53 s	24/75	12/53 pc
Luxor	39/100	18/61 s	36/97	17/62 s
Riyadh	39/102	22/71 s	39/102	23/73 s

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Anchorage	15/59	9/48 r	16/61	10/50 r
Atlanta	24/75	16/61 pc	27/80	17/62 pc
Boston	18/64	11/52 s	19/66	8/46 pc
Chicago	22/71	9/48 pc	19/66	9/48 pc
Dallas	29/84	19/64 c	28/82	19/61 sh
Denver	20/68	7/44 sh	18/64	6/43 pc
Detroit	21/70	8/46 pc	18/64	7/44 pc
Honolulu	30/86	22/71 pc	32/89	24/75 pc
Houston	31/88	20/68 pc	29/84	20/68 pc
Los Angeles	32/89	19/66 s	31/88	18/61 pc
Miami	32/89	25/77 pc	32/89	26/79 pc
Minneapolis	20/68	9/48 pc	17/62	8/46 pc
Montreal	16/61	6/46 pc	10/50	-2/28 c
Nassau	32/89	23/73 pc	32/89	25/77 pc
New York	20/68	13/55 s	21/70	11/52 pc
Orlando	32/89	22/71 pc	32/89	23/73 pc
Phoenix	37/98	22/71 s	38/100	24/75 s
San Fran.	24/75	13/55 s	26/79	14/57 pc
Seattle	23/73	12/53 s	24/75	14/57 pc
Toronto	18/64	7/44 pc	14/57	2/35 pc
Vancouver	24/76	13/55 s	25/77	17/62 pc
Washington	29/73	12/53 s	23/73	13/55 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Almaty	17/62	11/52 r	23/73	12/53 s
Bali	31/88	20/68 s	31/88	22/71 s
Bangkok	30/86	24/75 r	33/91	26/79 pc
Beijing	27/80	13/55 s	24/75	13/55 pc
Bombay	29/84	23/73 sh	29/84	23/73 s
Calcutta	32/89	24/75 pc	31/88	24/75 pc
Chiang Mai	29/84	20/68 sh	29/82	23/73 sh
Colombo	28/82	24/75 r	28/82	24/75 c
Hanoi	29/79	21/70 c	27/80	25/77 c
Ho Chi Minh	31/88	24/75 r	31/88	25/77 r
Hong Kong	29/79	25/77 sh	29/82	24/75 sh
Islamabad	39/100	21/70 s	39/100	19/66 s
Jakarta	31/88	22/71 s	32/89	23/73 pc
Karachi	39/91	23/73 s	32/89	23/73 pc
K. Lumpur	32/89	22/71 c	32/89	24/75 pc
K. Kinabalu	32/89	23/73 pc	31/88	25/77 c
Manila	31/88	23/73 r	31/88	24/75 c
New Delhi	36/97	23/73 s	33/91	22/71 sh
Phnom Penh	30/86	24/75 t	33/91	25/77 t
Phuket	30/86	24/75 r	33/91	26/79 pc
Rangoon	28/82	24/75 r	27/80	25/77 sh
Seoul	21/70	9/48 s	20/68	11/52 s
Shanghai	22/71	14/57 s	22/71	17/62 pc
Singapore	31/88	21/70 pc	31/88	23/73 pc
Taipei	27/80	21/70 sh	28/82	23/73 c
Tokyo	24/75	21/70 c	23/73	21/70 sh
Vientiane	29/82	20/68 c	29/82	23/73 c

Africa

Algiers	24/75	16/61 c	28/82	18/64 pc
Cape Town	26/82	14/57 pc	23/73	14/57 pc
Casablanca	27/80	19/66 c	27/80	19/66 sh
Harare	22/71	13/55 pc	25/77	11/52 s
Lagos	29/84	23/73 c	29/84	24/75 pc
Nairobi	26/82	12/53 pc	26/82	13/55 pc
Tunis	29/79	18/64 r	27/80	19/66 pc

Latin America

Buenos Aires	23/73	12/53 s	18/64	6/43 pc
Caracas	30/86	22/71 pc	31/88	22/71 pc
Lima	20/68	18/61 sh	21/70	17/62 pc
Mexico City	21/70	13/55 c	23/73	13/55 s
Rio de Janeiro	26/79	20/68 pc	25/77	20/68 pc
Santiago	19/66	6/43 pc	18/64	2/35 s

Oceania

Auckland	14/57	12/53 sh	18/61	10/50 r
Sydney	16/61	8/46 pc	16/61	8/48 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Gore Hires 2 Former Prosecutors

By Stephen Labaton
New York Times Service

WASHINGTON — With momentum building at the Justice Department for the appointment of a new independent counsel to investigate Vice President Al Gore's campaign fund-raising practices, Mr. Gore has hired two former Watergate prosecutors to head off such a move, or — failing that — to defend him.

"The vice president wanted private counsel so he can get his position presented directly and personally to the Department of Justice," said Lorraine Voles, Mr. Gore's chief spokeswoman.

"He has instructed his private counsel to continue to cooperate fully with the department."

White House officials said Wednesday that Mr. Gore had retained James Neal, a Tennessee litigator and former prosecutor under Attorney General Robert F. Kennedy, and George Frampton Jr., who served in the first Clinton administration as an assistant secretary of the interior and before that was the president of the Wilderness Society.

Mr. Frampton also served under Mr. Neal when Mr. Neal was the chief Watergate prosecutor in the 1970s.

Mr. Gore is under investigation by the campaign financing task force of the Justice Department for his fund-raising activities last year on behalf of the Democratic National Committee.

As Mr. Gore has shifted his account of the activities, including scores of telephone calls that he made from his White House office to solicit donations for the Democratic Party, Justice Department officials have intensified their investigation.

Some critics and Republican lawmakers have charged that Mr. Gore's telephone solicitations broke a federal law that prohibits government officials from seeking campaign contributions while in federal buildings or on federal property.

But Mr. Gore and his aides have said the law, which is rarely used by prosecutors, is meant to apply to government officials seeking to pressure their subordinates for donations.

The aides have also said that the law did not apply because the donors whom Mr. Gore solicited were not on federal property at the time the donations were sought.

In originally declining to recommend an independent counsel, Attorney General Janet Reno explained that the law was not applicable.

In her interpretation, the law was intended to apply only to so-called "hard money," the campaign contributions raised directly for candidates and regulated by federal campaign law.

Ms. Reno's analysis of the law was undermined, however, when it was revealed earlier this month that Mr. Gore had solicited donations that wound up in hard-money accounts of the Democratic Party.

Confronted with a welter of new allegations, some officials at the Justice Department have begun discussing the possibility of appointing an independent counsel before the end of the year, as the law permits.

Some officials have said in recent days that they fear the Justice Department may no longer have the credibility to carry out the investigation.

Although some experts in criminal and federal election law say that Mr. Gore is not likely to be prosecuted, based on what is known of his involvement in fund-raising, the prospects of a new independent counsel and the timing of the investigation could prove fatal to his ambition to run for the White House in 2000.

News accounts of Mr. Gore's fund-raising activities have sharply eroded his standing in public opinion.



Mirsa Iqbandar/The Associated Press

Vice President Al Gore, left, being welcomed to Moscow on Sunday by Prime Minister Viktor Chernomyrdin for talks on economy and trade.

POLITICAL NOTES

Clinton Threatens Congress With Veto

SAN CARLOS, California — Setting himself on a collision course with the Republican Congress, President Bill Clinton has vowed to veto a mammoth spending bill if it contains amendments blocking his national school standards and testing plan or channeling money away from his other cherished federal education programs.

The House has passed an amendment to stop the school testing program, while the Senate has voted to take money away from many federal education programs, like bilingual education, and give it instead in grants to school boards.

"If Congress sends me partisan legislation that denies our children high national standards or weakens our national commitment to stronger schools," Mr. Clinton said in his weekly radio address, "I'll have to give it the failing grade it deserves, and I'll veto it."

The House and Senate must now negotiate with each other over whether either or both of the amendments should survive as part of the $279 billion spending bill for the departments of Education, Labor, and Health and Human Services. *(NYT)*

Political Giving

LOS ANGELES — Political contributions by the 544 biggest public and private American companies jumped 75 percent to $102.4 million over the last four years, a survey shows.

The survey, by the Los Angeles Times, which examined the political contributions of every major U.S. corporation, also showed that company executives and other employees kicked in an additional $26.9 million, a 41 percent increase. *(LAT)*

Quote/Unquote

President Clinton, at a San Francisco fund-raiser: "Most of you who have come here to help us could have made more money in the short run helping the other party. You came here because you thought we needed to go forward together. I'm here to tell you in spite of all the good times, we dare not rest." *(AP)*

With Limits Drawn in Tobacco Deal, Now the Wrangling Starts

By John M. Broder
New York Times Service

WASHINGTON — Every negotiation requires a ceiling and a floor between which the parties can hope to hang a compromise. Those dimensions in the national debate over the tobacco policy became clear last week.

The floor for negotiations was set in June, when the tobacco makers and state attorneys general announced a $368.5 billion plan to settle dozens of potentially ruinous lawsuits against the industry.

That proposal — which looked like a historic deal three months ago — is now but the starting point for months of difficult negotiations.

President Bill Clinton set the upper limits Wednesday, sending to Congress a tough package of tobacco-control principles that goes far beyond anything the cigarette companies have been willing to accept up to now.

Between Mr. Clinton's ceiling and the June settlement floor lie scores of billions of dollars for the tobacco industry, more than a dollar a pack for smokers and the possibility that hundreds of thousands of people, most of them teenagers, might be deterred from smoking.

By proposing only principles, Mr. Clinton delivered to Capitol Hill a vast, unwieldy and largely blank canvas that is not likely to be completed until next spring, if ever.

But at least such a canvas now exists, and lawmakers can begin to do what they do best: posture and politic in public, haggle and horse-trade in private.

Mr. Clinton is playing a sophisticated negotiating game, players on all sides of the debate agree.

On Wednesday he brought together in the Oval Office parties who have been feuding over tobacco policy for years.

Mr. Clinton announced his new tobacco-control requirements without spelling out the dicey details on how to achieve them, allowing himself to take credit for whatever final compromise is reached.

He kept himself at a safe distance from the cigarette companies without casting them as villains.

He gave a nod to tobacco-state lawmakers, historically the industry's best friends in Congress, by insisting that tobacco growers must be compensated for any income they lose as a result of reductions in smoking.

And he portrayed his goal as protecting the health of the country's youth, an unassailable political position. "Reducing teen smoking has always been America's bottom line," the president said. "It must be the industry's bottom line."

The centerpiece of his proposal is a steep increase in the price of cigarettes, as much as $1.50 a pack over 10 years from the current average of about $2. That represents a substantial increase over the rise in the June agreement of about 70 cents a pack.

Most of the price increases would be passed along to customers, of course. Public health experts contend that teenagers are particularly sensitive to the price of tobacco and expect that many would not take up the habit at sharply higher prices.

The Clinton administration did not provide an estimate of the potential overall cost of the president's plan. But Mr. Clinton insisted that he was not concerned with such details.

"To me, this is not about money," he said. "It is not about how much money we can extract from the tobacco industry. It is about fulfilling our duties as parents."

This elicited cheers from anti-tobacco Democrats on Capitol Hill and from most public health groups. Tobacco company officials asserted that they, too, cared about America's children. But they also noted that a hundred billion here, a hundred billion there soon adds up to real money — and bankruptcy for their industry.

"These are businesses and they are publicly traded companies, and while they are large, they have their limits," said an industry official who insisted on not being named. "There is a tipping point, and it's the number in the June agreement. At least that's their position today."

The road ahead is fog-bound. Mr. Clinton will assemble a bipartisan group of senior lawmakers in early October to draw up a timetable for drafting comprehensive tobacco legislation.

Weeks of hearings will follow. Representative Thomas Bliley Jr., Republican of Virginia, whose district includes many tobacco growers and who has been a longtime friend of the industry, plans to convene Commerce Committee hearings in November and December that will be pivotal to the development of a compromise plan.

In the Senate, Edward Kennedy, Democrat of Massachusetts, is working to assemble a bipartisan group to translate the president's principles into legislative language. Mr. Kennedy hopes to enlist Senator Orrin Hatch, Republican of Utah, with whom he has worked closely on health legislation in the past.

The cigarette makers will not be silent in these discussions, although they are expected to keep a low public profile, knowing that anything they are seen to support will immediately be suspect in the public's eye.

And the companies are unlikely to walk away. The prize — immunity from most litigation, and a predictable financial future — is far too valuable for them to leave on the table.

"A year ago, nobody expected us to be where we are," said a senior tobacco-company executive who insisted on anonymity.

"People are stunned that it's gotten this far. Public momentum is clearly there that we ought to settle these issues involving tobacco. We ought to get it done and move on."

Air Force Examines 6th Crash in Week

Compiled by Our Staff From Dispatches

ELLSWORTH AIR FORCE BASE, South Dakota — Air force officials began an investigation over the weekend into the sixth crash of a U.S. military aircraft in a week, this one involving a B-1 bomber that went down in southeast Montana.

All four crew members aboard the air force B-1B bomber were killed when the plane crashed Friday, leaving a trail of debris several hundred feet long in the Montana prairie. In all, 16 Americans have died in U.S. military crashes since Sept. 13.

The crash Friday prompted air force officials to move up a suspension of all training flights, which was ordered by Defense Secretary William Cohen to study safety after the rash of accidents. The 24-hour training halt was rescheduled for Monday instead of Friday.

"On Monday, we will stop flying training and exercise missions and focus intently on what we do and how we do it," said General Richard Hawley, head of the service's Air Combat Command. "We need to determine why these incidents happen and how to prevent any more mishaps."

A spokeswoman at Ellsworth Air Force Base, Senior Airman Jennifer Blake, said investigators had not yet determined whether the crew had sent any distress calls or attempted to eject from the bomber, which crashed about 25 miles (40 kilometers) north of Alzada, Montana.

Air force officials said the plane had been on a routine training flight over the Powder River Military Operations Area, but Airman Blake said investigators had not yet been able to determine whether the crew was flying a low- or high-altitude mission.

Officials said no bombs were aboard the swing-wing B-1B Lancer, which was designed to carry nuclear bombs deep into Soviet territory in a world war.

A witness said the bomber had been flying lower and slower than normal military flights in the area. "I thought that was kind of strange," said Jim Watts, a rancher. "But they do all kinds of different maneuvers out there."

Killed in the crash were the plane's pilot, Colonel Anthony Beat, deputy commander of the 28th Bomb Wing; Major Clay Culver, assistant operations officer; Major Kirk Cakerice, assistant operations officer, and Captain Gary Everett, weapons system officer. *(Reuters, AP)*

Away From Politics

• **A Manhattan pawnshop owner who tried to sell** a stolen Impressionist painting by Claude Monet for $5,000 has been arrested, law enforcement officials said. Terry Kaplan was arrested after he offered "Etretat, le Cap d'Antiser" to a jewelry-store owner who was cooperating with the Federal Bureau of Investigation. The painting sold for $68,000 at an auction at Christie's in 1994. *(NYT)*

• **The launch of the Cassini Saturn spacecraft,** delayed by a cooling system problem, has been set for Oct. 13, NASA announced. *(AFP)*

• **Two Ohio men accused of providing 1,000 explosive devices** to the Mountaineer Militia in West Virginia were acquitted of all charges. *(AP)*

• **A fugitive was arrested** while walking along a country road, more than four months after he slipped away from an armed standoff in the mountains of western Texas. Richard Frank Keyes III, 22, was arrested in New Waverly, north of Houston, on charges of kidnapping, engaging in organized criminal activity and unlawful flight to avoid prosecution. *(AP)*

• **A federal judge has awarded $27 million** to the parents of nine newborns who were injected with toxic amounts of painkiller at a Montgomery, Alabama, military hospital in 1988, allegedly by a mentally unbalanced staffer who was never prosecuted. *(AP)*

• **The University of California is considering dropping the Scholastic Aptitude Test** as an admission requirement in the face of evidence that its move to eliminate race as a factor in picking students will produce declines in Latino and black enrollment. *(WP)*

• **The Seattle police arrested 146 people** and seized cash, cocaine and heroin in what they called the largest undercover drug sweep in the city's history. *(AP)*

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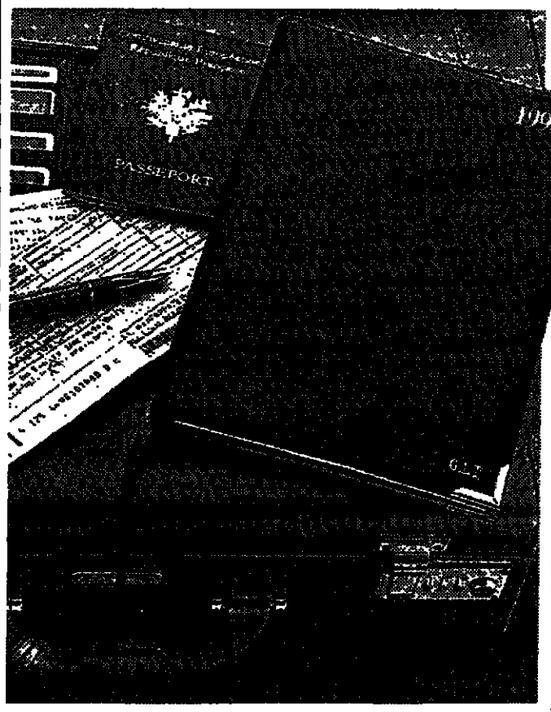
S T Y L E

From Paris to Milan, from New York to Tokyo, fashion editor Suzy Menkes covers the fashion front. With additional reporting on lifestyle issues, the Style section provides up-to-date information on developments in the changing world of creative design.

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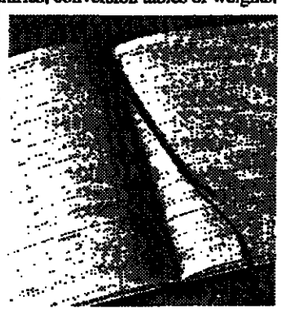
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Filipinos Warn Ramos To Forget Any 2d Term

Rally Goes On Though He Rules Out Run

By Keith B. Richburg
Washington Post Service

MANILA — Twenty-five years after Ferdinand Marcos signed a proclamation imposing martial law on the Philippines, hundreds of thousands of Filipinos ignored driving rain and repeated bomb threats Sunday to join in a huge outdoor Mass and protest rally against what many here view as a new threat to the country's reborn democracy: a belief that the current president wants to stay in office beyond his legal term.

The rally — which some news agencies estimated drew as many as half a million people to Manila's Luneta park — brought together some of the same leaders whose unlikely coalition drove Mr. Marcos from power in 1986, including former President Corazon Aquino, Cardinal Jaime Sin, the influential archbishop of Manila, as well as leading politicians, business executives and leftist groups.

The target of the protest seemed just as unlikely: President Fidel Ramos, now in the final eight months of his six-year term and largely credited with turning around the Philippines' once moribund economy and presiding over a period of political calm free of coups and Communist guerrilla threats.

For most of his term, Mr. Ramos was largely the beneficiary of favorable opinion poll ratings and widespread, almost gushing praise in the media. But his popularity has evaporated after weeks of conflicting statements about whether he backed ongoing efforts to alter the constitution to allow him to seek a second consecutive term. Once hailed as a hero who turned Asia's "sick man" into the region's newest tiger, Mr. Ramos lately has been vilified by columnists and some of his former political allies for what they see as his backroom maneuverings to perpetuate his hold on power.

On Saturday, Mr. Ramos tried to defuse the rally planned for Sunday by stating, "I will not run for re-election — period, period, period." And in a news conference at an air force base on Sunday, he repeated his pledge to step down after elections are held in May and to hand over power to an elected successor. He also said any changes to the constitution should wait until after the May 1998 elections.

But Mr. Ramos's latest vow not to tinker with the constitution was not enough to dampen the fervor of the protesters, some of whom recalled that the president had changed his public line several times in the past.

"In the darkness of confusing official statements and contradictory official actions, we feared the president of the country was not with us," Cardinal Sin said.

Mrs. Aquino, who ruled for six years after toppling Mr. Marcos in a "People Power" uprising, took the stage in her trademark yellow dress — the color of the 1986 revolution revived for this rally — and warned Filipinos not to allow a repeat of the kind of tyranny Mr. Marcos had imposed.

"Twenty-five years ago, the president of the Philippines blew out the light of democracy and covered the nation in darkness," Mrs. Aquino said. "The public was 'blindfolded and gagged, and the country was robbed."

"Why?" she added. "Because the president of the Philippines then wanted to change the constitution so he could stay in power beyond the legal term."

"That is why we are here," Mrs. Aquino said to cheers from the crowd, "to tell the people who want to stay in power, by martial law or charter change: no way and never again! Do your worst, we will do our best to stop you. And we, the people, will prevail."

Mrs. Aquino and Cardinal Sin shared the stage with some of the leading contenders in the race to replace Mr. Ramos as president.

Vice President Joseph (Erap) Estrada, a former movie star and local mayor who leads most public opinion polls, was on hand, as were two popular senators, Gloria Macapagal-Arroyo and Miriam Defensor-Santiago, both likely candidates.



Romeo Gacad/Agence France-Presse

Cardinal Jaime Sin and former President Corazon Aquino singing the national anthem at the protest rally in central Manila on Sunday.

North Korea Calls on U.S. for Food

Reuters

TOKYO — North Korea said Sunday that the United States should provide food aid as a sign of goodwill after the breakdown of talks intended to create a peace treaty between the two Koreas.

The official KCNA news agency, in a report monitored in Tokyo, quoted a Foreign Ministry spokesman as saying that the United States was using food aid as a weapon in the talks.

The discussions, which took place in New York last week, were halted after North Korea said that any talks must include the issues of the withdrawal of the 37,000 U.S. troops in South Korea and of food aid.

The North Korean statement said that the question of a pullout of U.S. troops from South Korea was always on the table at the talks.

"We proposed from the beginning to include in the agenda of the talks the U.S. troop pullout from South Korea and its vicinity," it said, and the "conclusion of a peace agreement" between North Korea and the United States "and the discontinuation of North and South Korea's import of military hardware from outside."

The 1950-1953 Korean War, in which the United States supported the capitalist south and China backed the Communist north, ended with an armistice that stopped the fighting but technically not the war.

North Korea, facing a severe food shortage, also said that the United States was trying to use food aid as a weapon.

"We intended that if the United States clearly promised food supply" to North Korea, the statement said, "we would regard it as goodwill of the United States and show flexibility in the debate on the agenda of the 'four-way talks.'"

International aid agency officials say that North Korea is facing a serious famine after two years of drought and recent flash floods and that this year's crop does not look good.

The North Korean statement said that the possible restoration of the talks depended on the United States.

■ North Korea Deploys Missile

A U.S. military satellite confirmed North Korea's deployment of its Nodong-1 missile, which is capable of reaching part of Japan, Japan Broadcasting Corp. reported, according to Agence France-Presse.

The missile has been deployed in the northwest of North Korea, according to U.S. satellite photographs taken last month, the report said, quoting Japanese and American military and intelligence sources.

Based on the Scud made by the former Soviet Union, the Nodong-1 can hit targets more than 1,000 kilometers away and could be fitted with nuclear or chemical warheads.

Haze Worsens Over Malaysia After Respite

Compiled by Our Staff From Dispatches

KUALA LUMPUR — A switch in wind direction over the weekend improved air quality in most of Malaysia, officials said, but the wind shifted again Sunday, obscuring skies once more.

The Air Pollution Index in Kuala Lumpur eased to a "moderate" rating of 108 early Sunday, compared with 292 late Saturday, after surging past the "hazardous" level of 300 last week, the Environment Department said.

In the eastern state of Sarawak, where the haze from forest fires has been the worst, the pollution index slipped to 366, still at a "hazardous" level, after the high Friday of 634. Visibility in the capital city, Kuching, was still low at 600 meters (2,000 feet).

The shift in wind pattern brought some blue skies and sunshine, but Kuala Lumpur's skyline was again obscured Sunday. An Environment Department spokesman said the wind direction had apparently changed back to its old pattern and warned that the haze would intensify again over the next two days.

Forest fires sweeping across Indonesia are spreading the haze over Malaysia and Singapore. On Sunday, Indonesian fire officials said they had identified 167 hot spots from blazes across the sprawling archipelago that were contributing to the choking smoke haze blanketing parts of Southeast Asia.

"Forest fires are still on," said an official of the coordinating team for land and fires control. "The fires have hit more than 80,000 hectares throughout the country."

In Kuala Lumpur, activists staged protests Sunday, voicing dissatisfaction at what they said was a lack of "firm, serious and concrete actions" by the government to bring the pollution crisis under control. Prime Minister Mahathir bin Mohamad declared a "haze emergency" after the index crossed the hazardous level Friday.

More than 50 activists from various organizations gathered to don masks. They also collected signatures for a petition to the prime minister.

In Indonesia, smoke from forest fires prevented emergency flights Sunday from getting to the drought-stricken Jayawijaya district of eastern Irian Jaya Province, where more than 150 people have died from lack of food and clean water. The district chief, J.B. Wenas, said planes and helicopters had not been able to deliver food or take out the critically ill because the smoke was so thick.

In Singapore, the pollutants standard index measuring the haze level was at 100, just below the unhealthy level. The Environment Ministry has said schools and sports complexes will be shut should haze levels remain above 300 for more than 24 hours. *(AFP, Reuters)*

BRIEFLY

Li Peng Visits Sites In Hong Kong

HONG KONG — Prime Minister Li Peng on Sunday made the first tour of Hong Kong by a mainland leader in a demonstration of Beijing's sovereignty over the territory it recovered from Britain on July 1.

Traveling in a motorcade crammed with security agents, Mr. Li joined Hong Kong's chief executive, Tung Chee-hwa, on visits to a shipping container terminal, the Chek Lap Kok airport that is due to open next year and a huge suspension bridge that leads to the airport.

Near the hotel where the Chinese prime minister is staying, several demonstrators waved pamphlets that read: "Li Peng is a butcher" above a caricature.

The demonstrators were detained by the police. *(AFP)*

Taiwan Considered Nuclear Role in '67

TAIPEI — Taiwan's government considered developing nuclear weapons in the late 1960s to counter a military threat from China but dropped the plans on the advice of Taiwan's top physicist, it was reported here Sunday.

The Defense Ministry mapped the plans in 1967 when tensions across the Taiwan Strait were high, local newspapers said. China, which has been at loggerheads with Taiwan since their split at the end of a civil war in 1949, already had nuclear weaponry then.

Wu Ta-yu, former director of the island's highest academic body, Academia Sinica, said he had strongly opposed the plans.

Mr. Wu revealed details of his role at a party celebrating his 90th birthday. *(AFP)*

For the Record

A helicopter in the entourage of Queen Sirikit of Thailand crashed in the southern province of Narathiwat, killing 14 of 21 aboard, provincial officials said. The seven survivors were seriously injured. The queen's helicopter had left before the incident Saturday. *(AFP)*

A bus carrying more than its 60-passenger limit plunged off a coastal highway and into the South China Sea in southern Vietnam, killing at least 30 people and injuring 22, the police and official media reported. The bus sank Friday, they said. *(AP)*

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EUROPE

Blair's Britain: Will It Streamline, or Disunite, the Kingdom?

By R.W. Apple Jr.
New York Times Service

NEWS ANALYSIS

Goaded by the modernizing passion of Prime Minister Tony Blair, Britain has embarked on a program of constitutional reform — of basic change in the structure of the country and its government — that has no parallel in this century.

The question is this: Will it create a more nimble, more efficient system, closer to the people, or will it create more layers of bureaucracy and lead to a Disunited Kingdom of Great Britain and Northern Ireland?

British government has been strongly centralized since the Act of Union of 1707, more so since Margaret Thatcher weakened local government a decade ago. But now it is adopting a more federal system.

Scotland voted overwhelmingly this month to create its first Parliament since the dawn of the 18th century, with broad authority in many areas and the right to set taxes within narrow limits. By a much narrower margin, Wales voted Thursday to create a less powerful Parliament, its first since the 15th century.

Mr. Blair has promised London its first elected mayor ever, if voters of the city agree in a referendum scheduled for May, and he has hinted at establishing regional bodies around England to deal with local issues.

Northern Ireland will doubtless be given a form of self-government if the current negotiations bring an end to the long civil war there.

And, of course, the most publicized jolt to Britain's sense of nationhood is its orgy of speculation about the future of the monarchy since the death of Diana, Princess of Wales, in a car accident.

Critics of the devolution process argue that it will only exacerbate the strains that already exist among Britain's component parts. With assemblies in Scotland and Wales, they ask, will English voters tolerate continued subsidies for the Scottish and Welsh economies and overrepresentation for Scotland and Wales in the Parliament at Westminster?

The Scottish National Party, which backed devolution, sees it as a halfway house on the road to independence. But Mr. Blair's supporters say his program is deeply conservative. By giving Scottish and Welsh voters a stronger voice in their affairs, his supporters say, he is binding them more closely to the nation.

Under the new dispensation, Scots will not confront the anomaly they faced under Mrs. Thatcher, when they chose mostly Labour members of Parliament to represent them in London, only to have their voices lost in the roar of Tory majorities.

Scots had shown "the courage and confidence to trust themselves," Mr. Blair said in arguing that the best government is one that is closest to the people. It is good politics, at least in the short term; however tradition-steeped the British may be, they share a feeling with many Americans that their institutions are creaky and inefficient.

Devolution is nothing new for the British. Scotland, England and Northern Ireland compete separately in many international sporting events. Scotland already has its own legal code and school system.

Before Mrs. Thatcher, local government in Britain was muscular and innovative (and Labour-dominated and free-spending, which is why she cut it back).

The nation is bound together by language (though other languages are preferred in parts of Britain's Celtic fringe); a common passport (though it has been homogenized with those of the rest of the European Union), and a common economy. But most of all it is bound together by the monarchy.

Despite wide criticism of the royal family in the wake of Diana's death — 39 percent of respondents in a national survey said they thought less of it — there is little support for doing away with the monarchy.

In that same poll, 73 percent said they wanted it to continue. Prince Charles is not popular, but that does not mean that he cannot become popular.

His mother, Queen Elizabeth II, has made concessions to the public will, such as her agreement in 1992 to pay income tax, and her belated decision to honor Diana in a number of ways. Charles's biggest problem is the aging palace courtiers who habitually resist change, and in his forthcoming struggle with them to modernize the monarchy, it is now clear that he will have the unflinching support of Mr. Blair as national modernizer-in-chief.

If they succeed, the sovereign could again provide a rallying point for increasingly self-governing countries, as James I did briefly as king of both Scotland and England from 1603 to 1625, before the outbreak of civil war.

These issues are hoary and contentious ones in the British Isles.

In the New Age, Communism Provides No Monolith on Property

By Roger Cohen
New York Times Service

PARIS — For Karl Marx, the right approach to private property was simple: abolish it.

But from Beijing to Paris, two cities where Communists are in government, the question of how to deal with property has become a complicated one, exposing the strangely divergent hues of communism today.

Announcing the sale of more than 10,000 Chinese state industries to shareholders, President Jiang Zemin this month took his country's Market-Leninism to a new apogee.

The measures — though dressed in official gobbledygook about "public ownership" — clearly had nothing to do with communism as Marx understood it.

They did, however, have much to do with the global market's power to absorb 1.2 billion Chinese in the quest to get rich and with Lenin's exploitation of Marxism to arrive at something unimagined by Marx: the dictatorial concentration of power.

For Mr. Jiang, China's future appears to lie in a bizarre marriage of Leninist expediency and Silicon Valley worker-ownership: Mao meets Microsoft by way of "Deng Xiaoping theory."

Four days after the 15th Chinese Party congress opened with its message that state ownership was bunk, Robert Hue, the leader of the French Communist Party, told a large rally in Paris that it might be time to accept the principle that some of France's state-owned industries should admit "small minority stakes of private capital."

A wave of booing greeted the suggestion.

Privatization remains anathema to French Communists even as it is embraced — albeit with semantic obfuscation — by the Chinese and energetically pursued in all frankness, if with some fiddling, by the former communists of Central and Eastern Europe.

Communism has come a long way since the Manifesto published 149 years ago by Marx and Friedrich Engels.

It no longer poses a threat to capitalism or to America, but it has survived gulags, barbaric social engineering and the collapse of the Soviet Union.

In China and a few other parts of the world, it retains the aura of theology, as the debates this month on how to enshrine the thoughts of Mr. Deng illustrated.

En route, however, political communism, as opposed to academic Marxism, has shed its original content to survive as an extraordinary mishmash, a late 20th-century potpourri marked by the loss of the very quality that distinguished Marx: the immanent potency, the singular danger, of ideas vividly expressed.

Marx urged the proletariat to wrest "all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State, i.e., of the proletariat organized as the ruling class."

He then postulated that because political power "is merely the organized power of one class for oppressing another," and because the proletariat's victory would sweep away "the conditions for the existence of class antagonisms and of classes generally," the state would wither away and a new society emerge.

Of course, it did not happen. In countries from the Soviet Union to North Korea, wherever private property was abolished, state ownership rather than collective, public ownership took its place.

Privatization remains anathema to French Communists even as it is embraced — albeit with semantic obfuscation — by the Chinese and energetically pursued, if with some fiddling, in Central and Eastern Europe.

Far from withering away, the state extended its tentacles and the Communist Party became the vehicle not for the proletariat's victory but for the transference of power to what Milovan Djilas of Yugoslavia scathingly called "the new class" of apparatchiks.

In China, it is those apparatchiks who still hold sway today, maneuvering with ingenuity along economic lines broadly backed by the United States that may prolong, rather than condemn, their political dictatorship in the post-Cold War era.

In the West, by contrast, Communists find themselves battling to defend the very workers' rights — social security, free medical care, unemployment benefits and pensions — with which the bourgeoisie maneuvered to stave off Marx's predicted revolution.

"Communism has lost every sort of bearing," said Jonathan Eyal, director of studies at London's Royal United Services Institute.

"In China, it is essentially a mafia offering rising prosperity in exchange for political submission. In the West, it has given up all talk of seizing the commanding heights of the economy in exchange for a rearguard action against the sweeping advance of market forces."

Indeed, the campaigns of the people who still call themselves Communists in China and the West are, in many ways, diametrically opposed. In China, it is realpolitik and the co-option of globalization to Chinese ends that drives the Communist Party. In France and Italy, the defense of what is sometimes called "the European model of civilization" against the pressures of globalization is of primary concern.

"We absolutely condemn the latest Chinese decisions," said Ramon Mantovani, an Italian Communist and member of Parliament. "They illustrate the way in which the Chinese have become one of the bulwarks of American-driven globalization, the very force that is threatening European workers."

Or, put another way, why should a multinational pay heavy social-security charges for Italian employees when it can set up in China and pay almost nothing?

What Marx never predicted was that communism would take hold in preindustrial societies like Russia and China, rather than Germany or Britain, where the processes he described as preconditions for communism were far advanced.

By an odd twist, communism became a prelude to capitalism rather than the force that overthrew it.

What practice, rather than theory, has shown since Marx's death is that communism has a great deal of trouble reforming itself — witness Dubcek, Khrushchev and Mikhail Gorbachev. Thus if Mr. Jiang pulls off China's new lurch, it will amount to a first, if the result can still credibly be called communism.

BRIEFLY

Was Safety System Off Before Crash?

LONDON — Rail officials are investigating whether a computerized warning system had been switched off when a passenger express train plowed into a freight train Friday, killing six passengers, track operators said Sunday.

The question of whether the safety mechanism, which slams on brakes in an emergency, was operating in the express train "is fundamental" to the inquiry into the accident, said Andy Hancock, acting director of Railtrack, which operates the line.

Mr. Hancock refused to confirm or deny newspaper reports that the system, known as the Advanced Warning System, was switched off because Great Western, the train operator, and Railtrack considered it unreliable. *(AP)*

ETA Backers Riot In Basque Town

MADRID — Three Basque policemen were hurt Sunday when 30 hooded sympathizers of the Basque group ETA stormed through the town of Ordizia, breaking windows and hurling gasoline bombs, officials said.

The youths attacked several banks and financial institutions with incendiary devices, and the policemen were injured as scuffles broke out sporadically through the night. Local politicians condemned the violence.

"These terrorist acts are not going to modify the attitude of the immense majority of the Basque people," a local Socialist official, Inaki Pierrugues, said. *(Reuters)*

Berlin Parliament Opened to Public

BERLIN — Thousands of curious onlookers caught their first glimpse Sunday of Germany's past and future Parliament building, the Reichstag, which is under reconstruction.

Authorities in Berlin opened the doors to the public for the first time and allowed in about 100,000 visitors to see the building that is to house the lower house of Germany's Parliament starting in 1999. *(Reuters)*

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STAFF WRITER

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Han Smits, President of Schipol Airport, presented the award to THAI at the annual New Year gathering organized by Schipol Airport Management. THAI was selected from 38 intercontinental air carriers operating from Amsterdam airport as the best on-time airline of the year.

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Catholic Apology to Jews of France

Church to Voice Sorrow for 'Silence' During War Deportations

By Barry James
International Herald Tribune

PARIS — The Roman Catholic Church in France will issue an unprecedented statement this month apologizing for its "silence" during the persecution and deportation of Jews in World War II, a church official said Sunday.

The statement will mark the 57th anniversary of the first of a series of anti-Semitic laws passed by the French wartime Vichy regime headed by Marshal Philippe Petain.

It also will coincide with the opening of the trial next month of Maurice Papon, the only senior Vichy official to go before a court since the purges immediately after the war.

Official documents show that Mr. Papon, 87, who is accused of crimes against humanity, rounded up nearly 1,600 Jewish men, women and children in Bordeaux and dispatched them to a transit camp at Drancy near Paris from where they were deported to death camps in Nazi Germany. After the war he had a successful career, becoming chief of police in Paris and Budget Minister until the allegations about his wartime role surfaced in 1980.

The Reverend Jean Dujardin, secretary of the French Episcopal Committee for Relations with Judaism, said in an interview Sunday that the statement to be issued Sept. 30 would deal with "the question of the silence of the church and its pastors between 1940 and 1942" when the anti-Jewish legislation was put in place. He said it would not go into the actions of individual church leaders during the period.

He said the statement will be read out by the bishop of Saint-Denis, Olivier de Berranger, during a ceremony at a memorial to Jewish victims at the Drancy camp. The memorial includes one of the railway wagons used to transport the victims to the death camps.

About 76,000 Jews were deported from France to Germany, most of them died in the concentration camps.

Although the church initially acquiesced to Vichy's anti-Jewish measures, and some of its leaders hailed Marshal Petain as the savior of France, a reaction set in after the massive roundup of Jews by French police in Paris on July 16, 1942. Some bishops, including Jules Salieges of Toulouse and Cardinal Pierre Gerlier of Lyons, expressed open opposition to the Vichy regime.

After the war, 100 priests in their prison clothes celebrated Mass in Paris for concentration camp victims and their families. But General Charles de Gaulle refused to meet the archbishop of Paris, Cardinal Emmanuel Suhard, and pleaded with Pope Pius XII to remove his nuncio to Paris, Valerio Valeri, on the grounds that both men had collaborated with the Nazis.

Father Valeri was soon replaced, however, by Angelo Roncalli, the future Pope John XXIII, who sought to heal the deep divisions in the church.

Father Dujardin said the statement at Drancy was in response to a call from Pope John Paul II for Catholics to "purify their memory" in preparation for the jubilee celebrations marking the second millennium. The Pope has expressed the church's official remorse over its treatment of Jews, Protestants and some of those it has persecuted in the past, such as Galileo.

The Vatican is working on a document about the church's overall role during World War II.

Although many of France's wartime secrets are still locked up under a 60-year gag rule for official documents, the country has come to a more mature understanding of the Vichy years thanks to a growing body of historical research.

The late archbishop of Lyons, Cardinal Albert Decourtray, invited a team of historians to investigate the circumstances under which the wartime collaborator, Paul Touvier, had enjoyed church protection for decades. Mr. Touvier, who was sentenced to life imprisonment in 1994 for authorizing the murder of seven Jews, died in prison in 1996.

After a meeting of reconciliation between Catholics and Jews in France 50 years ago, the church has set up a number of committees and organizations to improve its relations with the country's 650,000-strong Jewish community.



Paolo Lepri/The Associated Press

Pope John Paul II delivering his message to the faithful Sunday from his summer residence near Rome.

Milosevic Protégé Is Favored For Presidency as Serbs Vote

The Associated Press

BELGRADE — Serbs cast ballots Sunday in general elections boycotted by many voters who are opposed to Slobodan Milosevic's decade of autocratic rule and fed up with hardship.

Mr. Milosevic, constitutionally barred from serving a third term as Serbian president, was not on the presidential and parliamentary ballot. But he influenced — and will likely win — everything.

Opponents of Mr. Milosevic said the vote was so heavily weighted in favor of the ruling Socialists — the former Communists — that it was a farce, and they called on Serbs to boycott the elections.

Voting started as scheduled at 7 A.M. Sunday. Election officials estimated the turnout at 25 percent six hours after the polls opened, while the independent B 92 radio said only 10 percent had voted.

It was unlikely, however, that the boycott would be joined by 51 percent of the 7 million eligible voters. If it were, the vote would be invalid.

More likely was that Mr. Milosevic's coalition of the Socialists and a leftist party headed by his wife, Mirjana Markovic, would dominate the 250-seat Parliament. His protégé, Zoran Lilic, was likely to be elected president.

That would complete a deft job swap that Mr. Milosevic engineered. The Yugoslav Parliament elected him in July as president of Yugoslavia, consisting of Serbia and Montenegro. That job had been held by Mr. Lilic.

Mr. Milosevic cast his ballot Sunday in the affluent Dedinje district of Belgrade with his wife and son, Marko.

"Serbia needs to maintain its peace and stability, to continue on the road of recovery and economic development and maintain the course of reforms," a confident-looking Mr. Milosevic said. "I hope these elections will confirm this."

The elections also were expected to seal the demise of the opposition coalition that won municipal elections last year in Belgrade and 13 other cities or large towns across Serbia.

Mr. Milosevic annulled the results, setting off three months of protests. Those demonstrations and international pressure forced him to install the opposition local governments. But opposition leaders coalition split over whether to take part in the elections. Boycott supporters said there were no guarantees the elections would not be rigged.

The mayor of Belgrade, Zoran Djindjic, leader of the Democratic Party, has spearheaded the boycott call. Vuk Draskovic, his former coalition ally, was running for the presidency. Neither Mr. Draskovic nor another opposition figure, the ultranationalist Vojislav Seselj, were given a chance of winning.

Russian Gesture To U.S. on Iran

A Vigil on Atomic Plant Suggested

By Joseph Fitchett
International Herald Tribune

Moscow was reported Sunday to be inviting the United States to join in monitoring the operations at a Russian-built nuclear power plant in Iran.

Washington fears that the plant could be used to make nuclear weapons.

The Russian gesture was disclosed just hours before the scheduled arrival of Vice President Al Gore in Moscow for talks likely to be dominated by U.S. demands that President Boris Yeltsin discover — and stop — any technology flowing from Russia to Iran that could enable Tehran to produce nuclear-tipped ballistic missiles.

It has become a major issue in U.S.-Russian ties in recent weeks as Israel stepped up charges that Russia was secretly providing materials and scientists to help Iran develop weapons capable of reaching targets anywhere in the Mideast, including Israel.

Israeli officials said Sunday that such a missile — the so-called Shahab 3 — was being readied for deployment late next year with the help of Russian scientists. Then Iran could dispense with help from Moscow while building a Shahab 4 capable of reaching Europe and western China, according to Israeli officials who declined to be identified.

Congress has demanded that the Clinton administration investigate the reports and take action to ensure that fissile materials and missile know-how are not being exported with the knowledge of the Russian authorities.

Russian failure to demonstrate cooperation on this issue will threaten U.S. help, starting with space cooperation, according to a Clinton aide.

U.S. officials recently toured the Middle East and Europe urging help to expose Russian-Iranian military deals.

Apparently in response to Western alarm, the Russian atomic energy minister, Viktor Mikhailov, was quoted Sunday saying that Moscow was strictly adhering to international guidelines about exporting nuclear technology.

A prime example of weak points in international controls is a reactor at Bushehr, in southern Iran near the Gulf, that is being built by Russian companies. The first unit of the plant could be ready to enter service late this year, reports say, and Moscow has rejected U.S. pleas that it abandon the project.

In a bid to ease U.S. concerns, Mr. Mikhailov on Sunday reportedly proposed "to the American side that we should work out a joint system of controlling the plant, to eliminate any doubt that there could be anything else happening there other than the changing of nuclear fuel and the use of the reactors."

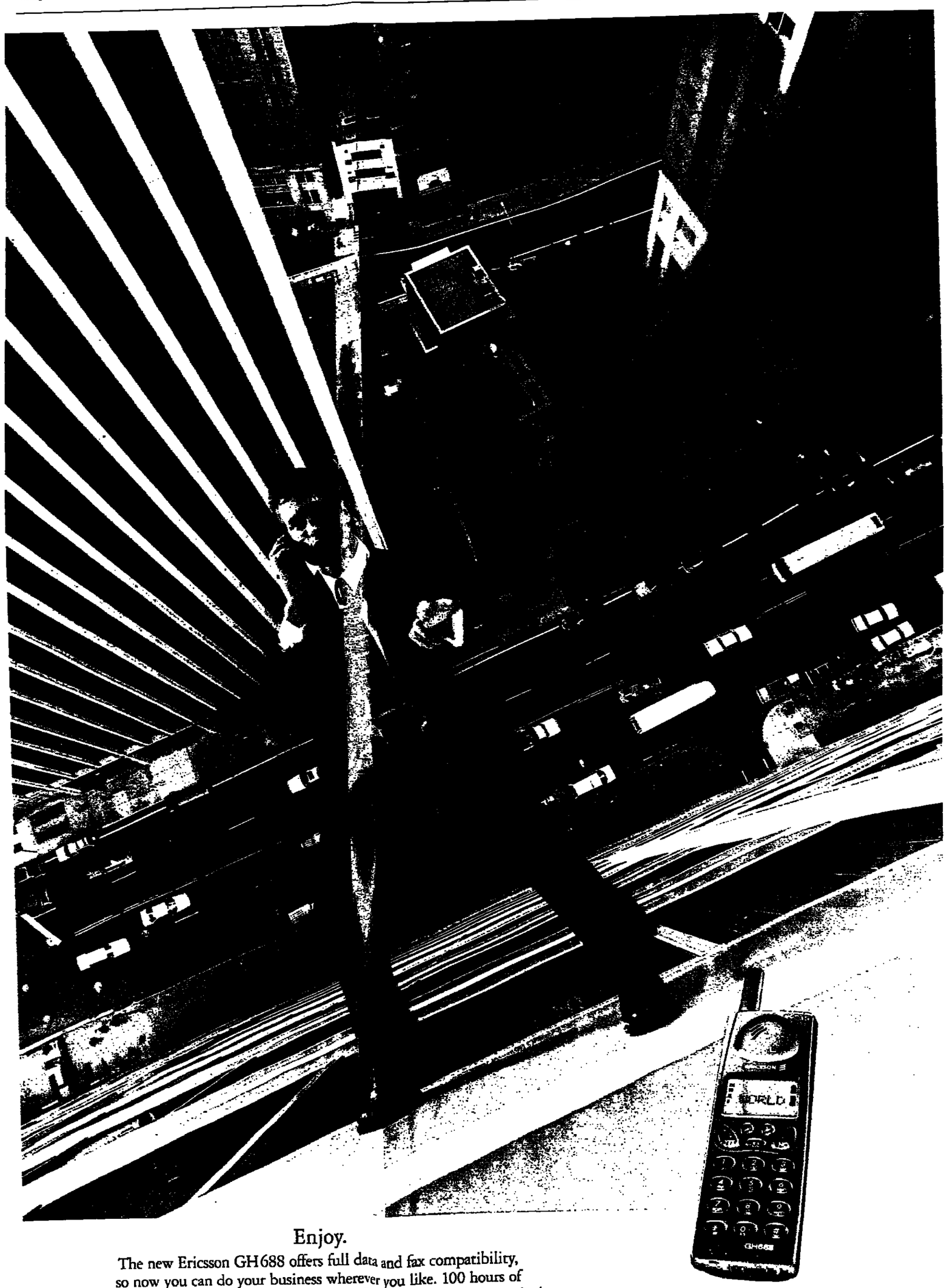
According to the Itar-Tass news agency, he made the offer to the U.S. energy secretary, Frederico Pena, currently in Moscow for talks, but there was no immediate confirmation from Mr. Pena or from Washington.

Nor was it clear how such joint monitoring might work in practice since Iran would probably oppose any U.S. presence at the reactor site. But a French specialist said that U.S. inspectors could probably get access to Russian shipments, allowing them to record the size of deliveries and check them against spent materials leaving the reactor.

Such an "offshore" system might reassure Washington that fissile materials were not being diverted to make nuclear bombs, he said.

If the broader Israeli allegations were substantiated, officials said, the Clinton administration would be forced to cut U.S. assistance to Russia, probably starting with space-flight cooperation.

Many U.S. and European officials said that they doubted that Mr. Yeltsin would knowingly approve trade liable to contribute to the development of nuclear weapons under the control of neighboring Iran, a country that could potentially threaten Russia, too.



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INTERNATIONAL

Moi Divides the Kenyan Opposition

Package of Reform Proposals Calms Critics and Ends Protests

By Stephen Buckley
Washington Post Service

NAIROBI — A few weeks ago, the government of President Daniel arap Moi was staggering from a series of political protests that had brought international criticism cascading down upon him and his regime.

Now, days after a group of ruling party and opposition politicians drafted a package of legal reforms, Mr. Moi and his Kenya African National Union, or KANU, appear to have calmed critics and strengthened their position for this year's presidential election.

Mr. Moi's government, which allowed multiparty politics for the first time in 1993, has been under increasing pressure this year to enact further legal and constitutional reforms. The government agreed this month to repeal or amend 12 laws affecting a range of issues, from the makeup of the country's electoral commission to the registering of political parties.

Critics of the package of proposals say they will not make for a fairer presidential election this year and do not begin to carve into the president's wide constitutional powers. But the package of proposed reforms had such an effect on the public that the National Convention Executive Committee, or NCEC, which has spearheaded the demonstrations, canceled protests it had scheduled for last week.

"We could not justify the protests," said Gibson Kamau Kuria, a detractor of the proposals, without explaining the committee's view of the proposed reforms. He added, "There was too much confusion about what had really happened."

Some politicians, however, admit that what happened is that Mr. Moi shattered the fragile unity that his opponents had forged a few months earlier, led by the committee, a collection of human rights activists, clergy and others.

The opposition had been prodding the government, through mass protests, to make constitutional and legal reforms before this year's election, which has not yet been scheduled. It will be the East African country's second presidential election since 1993.

Paul Muite, an opposition member of Parliament and long one of Mr. Moi's most vociferous critics, said last week that "the government has pulled off, I concede, a major public relations exercise as far as the donor community and the Kenyan public are concerned."

"The government had to do something," the politician added. "Unfortunately, they have succeeded in splitting the opposition. Moi saw that NCEC was a forum that brought the opposition together."

Mr. Muite had especially bitter words for Mwai Kibaki, leader of Kenya's Democratic Party, which had several members of Parliament participating in the negotiations that produced the government's reform package.

Mr. Muite called Mr. Kibaki "naïve" and said the Democratic Party chairman's positive interpretation of the negotiations and the reforms was "a very foolish way to look at the process."

Mr. Kibaki, who at first said that critics of the reform package were "insincere," took a more conciliatory tone as the week progressed. The opposition "has not been split," he said. "The fact that we disagree on what has been achieved, and have different interpretations, is not a split."

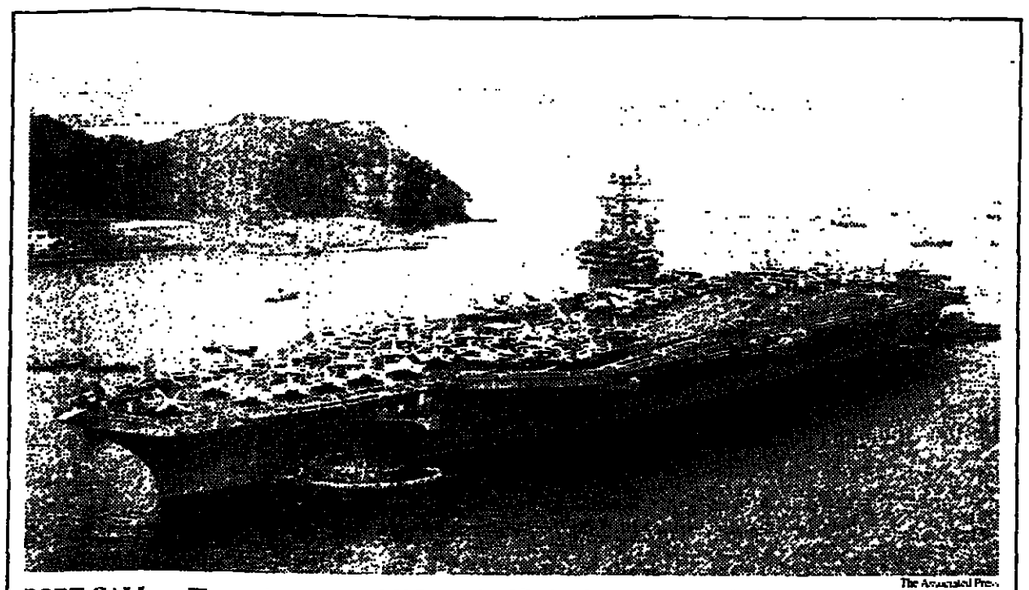
And he insisted that the government had suffered a public relations setback. "A month ago," he said, "KANU was saying these laws would be amended after the election. They have come to accept something they did not agree to do one month ago."

He added: "People are looking at this upside down."

Mr. Kibaki, a candidate for president, said that detractors of the reform package had forgotten that the opposition was pushing for minimal changes before the election. He contends that is exactly what the opposition got.

The next stage is that the reform proposals will be fashioned into bills. But some political analysts worry that the language of the proposals is too murky to lead to measures that will actually bring meaningful change.

"There's a lot, at first blush, in the reforms, but there's a certain amount of ambiguity in the language," a Western diplomat said. "The key questions are, How will the attorney general draft the bills? How will the government implement them?"



The Associated Press

PORT CALL — The nuclear-powered U.S. carrier Nimitz, bound for the Gulf, entering port Sunday in Yokosuka for a three-day stopover. Protests greeted the visit, the third in a month to Japan by a U.S. carrier.

Israeli Troops Arrest Palestinian Suspects

Compiled by Our Staff From Dispatches

NABLUS, West Bank — The Israeli Army rounded up dozens of Palestinians in a predawn operation Sunday against suspected Islamic militants in the northern West Bank, a spokesman said.

Palestinian sources said that as part of the operation, hundreds of soldiers sealed off the West Bank town of Asira Shamaliya, which is home to five members of the militant Islamic group Hamas wanted in connection with suicide bombings in Israel.

"The operation was conducted as part of activities to deter and prevent terror," an Israeli army spokesman said.

The army imposed a curfew on Asira Shamaliya, near Nablus, and for several hours carried out house-to-house searches, arresting a number of young men, residents said. They said several hundred Israeli troops and intelligence agents sealed off the town of 12,000 in the middle of the night.

"I was awakened at three in the morning by a loudspeaker announcing a curfew in the town until further notice," said Assad Sawalma, mayor of Asira Shamaliya.

"From my home I could see dozens of heavily armed soldiers patrolling through the town, taking young men away, blindfolded and handcuffed," he added.

Palestinian newspapers reported that Israel was hunting for the five Hamas militants in the wake of the suicide bombings in Jerusalem on July 30 and Sept. 4.

The Israeli defense minister, Yitzhak Mordechai, said last week that he was convinced that those behind the attacks were Palestinians from the West Bank, but the Israeli police have obtained a court order banning publication of any details involving the investigation.

According to the police, the crackdown led to the arrest last week of members of one Hamas cell that had been planning to bomb a Jerusalem mall and kidnap the city's mayor, Ehud Olmert. *(AFP, Reuters)*

BRIEFLY

2 Egyptians Face Military Trial

CAIRO — President Hosni Mubarak has ordered military prosecutors to investigate the case against two men — Saber Abu Ulla and his brother, Mahmoud — who attacked a tour bus outside the Egyptian Museum last week, killing nine Germans and an Egyptian driver.

The move, announced over the weekend, would mean that the suspects could face trial before a security or military court, as have scores of suspected Islamic extremists.

Verdicts from military trials can only be appealed to the president, who has turned down all pleas. *(AP)*

Nigerians Block a 2d Party

LAGOS — The Nigerian police stopped opposition supporters from holding a birthday party for a detained human-rights campaigner on Sunday, witnesses said.

"The policemen said they had orders from above to stop the 62d birthday party being organized for my uncle," said Gbenga Fasehun, nephew of Frederick Fasehun, chairman of the Campaign for Democracy pressure group.

Dr. Fasehun, a physician, has been held since December in connection with a spate of bomb blasts. On Thursday, Nigerians broke up a party for the U.S. ambassador, Walter Carrington, who is leaving. *(Reuters)*

Hantavirus Kills 13 in Chile

SANTIAGO — An outbreak of hantavirus, which causes pneumonia and high fever, has killed 13 people and sent dozens more to hospitals in Chile in recent months, and health officials fear the virus is spreading to other countries in the region.

After five new cases of hantavirus infection were reported in the far north and south of Chile early this month, the government announced a national health emergency, including measures intended to control the spread of the virus. Hantavirus, which is usually transmitted by field rodents or their droppings, causes pneumonia, respiratory distress and high fever and can kill a patient quickly. *(NYT)*

Mexican Drug World Insights

MEXICO CITY — Six months before his reported death in July, a billionaire Mexican drug trafficker, Amado Carrillo Fuentes, sent his top lieutenant to negotiate with the Mexican Army for protection from prosecution, the country's disgraced former anti-drug chief, General Jesus Gutierrez Rebollo, has testified.

General Gutierrez is on trial on drug and other charges. His testimony and documents that have surfaced in recent weeks offer new details about the last days of one of the world's leading drug traffickers. They suggest that Mr. Carrillo was trying to lessen his role and make huge payoffs to buy peace for his family. Mexican officials did not accept the offer. *(NYT)*



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Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Crunch Time for Reform

For months, the drive to clean up the American campaign finance system has seemed frozen. Especially insulting has been the cynical argument *from* politicians who trade access for donations that Americans do not care about reform. But the two leading reformers on Capitol Hill, Senators John McCain of Arizona and Russell Feingold of Wisconsin, believe the cynics are wrong, and they seem to be having some success with a strategy of forcing the Republican leadership to allow a vote on a slimmed-down version of their campaign-finance bill.

It would focus on banning the most serious abuses, particularly huge open-ended campaign contributions by rich individuals, corporations and labor unions.

Senators McCain and Feingold believe they have the public backing to play tough with Trent Lott. They threatened to use parliamentary rules to attach their measure to other crucial bills next month and hold up the proceedings in order to get a vote. The pressure seems to be working. On Friday, Mr. Lott, the Senate majority leader, promised to bring the McCain-Feingold bill to the floor before the end of the current session. Democratic leaders denounced his offer as inadequate because it did not set a specific date, but it now appears more certain that campaign finance reform will at least make it to the Senate floor this fall.

This is a crucial moment for Senate Republicans, who have quite properly hammered President Bill Clinton and the Democrats over campaign abuses. Only three Republicans have joined the 45 Democrats in the Senate in favor of the McCain-Feingold bill. More are needed not simply to pass the bill but to thwart a promised filibuster by foes of reform.

For years, Republicans have opposed campaign finance reform because of provisions that limit campaign spending. But now mandatory spending limits have been removed from the legislation, which concentrates instead on ending abuses on the contribution side. Specifically, the bill would ban the big donations that both parties rely on. For all their shock over disclosures of buying access at the White House, in other words, Republicans must now face the fact that their party has been guilty of similar excesses.

Another pretext for opposing reform was removed last week by Senator Fred Thompson of Tennessee, chairman of the committee that has drawn attention to shoddy practices under existing law. Mr. Thompson and Senator John Glenn of Ohio announced Friday that they would accelerate the hearings and finish the bulk of their work soon. That welcome step is sure to anger some Republicans who would rather embarrass Democrats than change the system. The tactic deprives Mr. Lott of the excuse that the hearings must end before the Senate can vote.

The first thing Mr. Thompson's panel plans to turn to now is the activities of the supposedly independent groups that ran TV ad campaigns last year. That makes sense, because banning open-ended contributions to political parties and candidates will do no good if donors simply turn around and give money to these partisan groups. The McCain-Feingold bill addresses the problem by setting limits on contributions to any group that uses the money for ads that mention the name of a candidate within 60 days of an election.

Besides new disclosure requirements, there is one other crucial provision to this bill to watch as the debate proceeds. Right now, it would permit any worker who is not a member of a union but must pay union dues as a condition of employment to get a refund of any portion of the money that has gone to political purposes. Democrats have reluctantly gone along because this feature codifies an employee right that the Supreme Court has upheld. Some Republicans, led by Senator Don Nickles of Oklahoma, want to expand that provision to allow any union member to demand such a refund. That step is adamantly opposed by Democrats and organized labor. Any Republican attempt to attach the Nickles plan to the McCain-Feingold bill should be viewed for what it is: a poison pill designed to kill reform.

The Thompson committee and supporters of the McCain-Feingold bill have built the greatest demand for reform since Watergate. But there are legislators in both parties who want to preserve a system that makes money more important than the public will. In the next few days, Americans need to be watching and taking names.

— THE NEW YORK TIMES

Change in China

Add the World Bank's report that China grew by four times in the last 20 years to the bank's qualified prediction that China could grow by seven times in the next 20 years. This astonishing record of past growth was the basis of the political victory that an ebullient President Jiang Zemin claimed at last week's Communist Party congress in Beijing. The prospect of even more dazzling future growth is what he embraced as the country's continuing goal. Only South Korea and Taiwan, both much smaller, have grown faster longer.

Mr. Jiang delivered ritual homage to his party's Marxist inheritance. The policies he actually embraced, however, go well beyond the market reforms identified with the late Deng Xiaoping and bear the stamp of capitalism at its rawest. In the name of "socialist modernization," Mr. Jiang promises to open up to survival-of-the-fittest private ownership the greatest number, though not the 500 largest, of the existing state-owned enterprises. The resulting "staff downsizing" could throw 25 million more workers upon the thinnest of official safety nets so far strung by the state for housing, health and pensions. The potential social turbulence involved in thus increasing China's perhaps 50 million current "floating" population is the second most destabilizing aspect of the proposed change.

The first lies in the political sphere. Party General Secretary Jiang rose to the top by committing himself not just to the government's program of economic liberalization but to the army's slaughter of democracy demonstrators at Tiananmen Square in 1989. That brings him something more than credit for China's signal achievement in lifting an estimated 200 million people from poverty. It also brings him his considerable share of the responsibility for keeping in place a totalitarian political system. This system still practices cruelties, limits democratic experimentation to the village level and pursues the rule of law only to the point where it starts to touch upon official party arbitrariness. No one can say whether the resulting pressures will find one or another kind of expression or be contained.

The party congress consolidating Mr. Jiang's power and renewing China's dedication to growth sends him off to Washington next month for the first Sino-U.S. summit meeting in eight years. He will likely be in a confident and assertive mood but presumably will see China's hardheaded national reason for cooperating with the United States in global economic and political affairs. In the litmus area of nuclear weapons-related exports to Pakistan and Iran, China is reported to be retrenching. Close inspection will be required to determine if Beijing is yet faithful to its international nonproliferation obligations. It will be on tough issues like this one that China shows whether in its reach for world greatness it is ready to respect the most important international rules.

— THE WASHINGTON POST.

Other Comment

Rumbustious Senator

Few targets are more inviting in American politics than Jesse Helms, now in his fifth rumbustious term as a Republican senator from North Carolina. Mr. Helms, a model of old Southern courtesy who will always hold a door for a lady, is also the most brutal curmudgeon in Congress: knowing what he thinks, not backward in saying it and uncaring of the wounded bodies he leaves behind him. The casualties he has caused include relations with Europe and Canada, soured by the egregious Helms-Burton restrictions on trading with Cuba; foreign aid, which he sees as water down a drain; relations with the UN, to which he sees no point at all, and now the hopes of William Weld, the former governor of Massachusetts, to become ambassador to Mexico.

— The Economist (London).

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Making a Case for Adapting to Climate Change

By Stephen S. Rosenfeld

WASHINGTON — We are coming into a crucial phase of a foreign-policy issue — global warming — that is suffused with scientific substance that few of us can claim to be on top of. At Kyoto in December, a major international meeting will undertake to negotiate a treaty reducing greenhouse gas emissions. How is a citizen or politician or bureaucrat to address the sort of question that is definitely within our interest but in some measure beyond our ken?

A few of us will gear up to earn our own place in the circle of the informed, as has Vice President Al Gore, for one. But many more of us, I would guess, will cast about and pick a favorite guru or take sides on the basis of our political predilections or simply make a most unscientific policy choice of what seems prudent and reasonable.

I am impressed by the soberness of Brian Tucker, an Australian and past president of the International Association of Meteorology and Atmospheric Science, writing in The National Interest magazine under the title of "Science Friction: The Politics of Global Warming."

His purpose is to extricate the issue from the several years of ever hotter international environmental culture wars between activist "Cassandras and conservative Pollyannas both trying to marshal the authority of science as justification for their views." He takes up a center position — perhaps more of a center-right position — that leaves him independent of the positions to either side.

In the Tucker view, most of the scientific theory about greenhouse gas emissions is well-founded, but still the theory does not support the conclusion of the more alarmist environmentalists that calamitous effects from global warming are coming upon us. What is more likely coming, he thinks, is something hard even for scientists to pin down but in any event more moderate and gradual. From there he moves to the public-policy judgment that the dangers can best be met by careful incremental preparation and not by drastic response, which the publics of rich and poor countries alike would probably spurn anyway.

The issue is sure to be sharpened at Kyoto. By earlier conferences, the countries of the world committed themselves to a degree of reductions in greenhouse emissions, particularly carbon dioxide, that many people now acknowledge as beyond practical attainment. Neither in rich nor in poor countries is there visible political support to pay the costs of these reductions. Yet the politics of the issue, with many publics operating off a base of high anxiety, have made it difficult to tailor a more modest, realistic and attainable program.

The reductions standard was set in the Framework Convention on Climate Change, which was negotiated at the 1992 Earth Summit at Rio de Janeiro. This work was done in the belief that the emissions that may cause global warming stem largely from meeting the energy and food requirements of a growing world population.

That poses its own problem. Many of the political activists who are concerned about environmental damage caused by industrialization, as Mr. Tucker observes, are equally concerned about global poverty and equally adamant against generating electricity from (emission-free) nuclear power.

Not only may political tensions get tighter at home. Another surge of international class warfare may also lie ahead: "Efforts by the industrialized powers to impose greenhouse gas emission limits on developing countries are seen by the governments of those countries as an alternative means of reducing their rates of economic growth and hence their national power; while the developing countries' refusal to accept limits on themselves is seen by the developed countries as cynical and self-serving."

This is why Mr. Tucker believes it makes more economic and moral sense to adapt to climate change — with the realistic likes of dikes to prevent coastal flooding, relocation of vulnerable habitats and acceleration of measures to replace fossil fuel burning — "than it does to drive world GNP backwards several percentage points per year for half a century or more" in pursuit of illusory emission-reduction goals.

Mr. Tucker ends up warning that unless the Kyoto summit meeting proceeds realistically, "it will be a dreadful affair that will needlessly worsen political tensions between rich and poor, mislead millions of scientific innocents, and misdirect government policies that must deal with the less severe but still real challenge before us."

The prospects of a working consensus seem forbidding but not unimaginable. The culture wars, the political wars, the economic wars promise much excitement along the way.

The Washington Post.

Third World AIDS Treatment and a Textbook Ethics Problem

By William Raspberry

WASHINGTON — Pregnant HIV-infected women in Third World countries are passing the disease along to their offspring at an alarming rate — as many as a thousand a day. High doses of the drug AZT have been shown to be effective in halting the transmission, and, in fact, that is the standard treatment in the United States.

But AZT is expensive — about $1,000 per patient for the full regimen, or 100 times the per capita cost for all health care in some countries. What if some less costly intervention — say half the standard AZT dosage — turned out to be effective?

That was precisely the question sponsors of some 16 Third World projects — a few in Asia but most of them in Africa — proposed to answer.

They would give one group of women the full dosage of AZT and a second group only half. And to make their findings utterly reliable, they would give a third group only a placebo.

With any luck at all, the result would be to bring affordable treatment to areas where virtually none exists now, saving lives, avoiding misery and making the world a better place. So what's the problem?

It's a problem that might have been concocted by an ethics professor, so I thought I'd put it to a couple: Arthur Caplan, director of the Center for Bioethics at the University of Pennsylvania, and Elizabeth Kiss, director of the Kenan Ethics Program at Duke University.

Both had seen the editorial in The New England Journal of Medicine in which the journal's executive editor, Marcia Angell, blasted the studies as reminiscent of the notorious Tuskegee syphilis experiment. But both thought the experiments might be ethical if they dropped the use of placebos — giving worthless "treatment" to some patients, not to help the patients but to tighten the science.

Dr. Angell's concern was that researchers might be tempted to subordinate the interests of their subjects to the interests of science. It is a particularly strong temptation, she said, when "the research question is extremely important and the answer would probably improve the care of future patients substantially."

But what of her notion that an "essential condition for a randomized clinical trial comparing two treatments for a disease is that there be no good reason for thinking one is better than the other"?

Surely the investigators and their sponsors have reason to believe the full regimen of AZT is better than a half-dosage. After all, nine of the studies are funded either by the National Institutes of Health or the Centers for Disease Control and Prevention, both in the United States, where the full regimen is the norm. Certainly there is no reason to suppose that a half-dosage is superior. The only question is whether a half-dosage might work and, thereby, make it possible to treat more Third World patients.

Dr. Caplan and Dr. Kiss (pronounced "quiche") think it's a close call but would countenance experiments to determine what lower dosage might still be effective. "The unarguable point is that it is totally unethical to withhold a known effective treatment," Dr. Kiss said.

Dr. Caplan found Dr. Angell's reference to Tuskegee unfortunate. That scandalous experiment (no matter how innocently it might have started) ended by withholding penicillin from patients long after its effectiveness was discovered, all in the interest of seeing what would happen as the untreated disease ran its course.

The projects were likened to the infamous Tuskegee experiment.

"That was clearly in the inexcusable zone, because it didn't have the interest of the subjects at heart," he said. "The AIDS research, on the other hand, is undertaken by people who are seriously trying to do something to help poor people who otherwise might get no effective treatment at all."

If the experimenters found that the half-dosage worked as well as the full, the benefits would accrue not just to the Third World poor but to the United States as well. The only ethical question is how to establish that a half-dose works. But suppose it does work, but not as effectively as a full dose (which, by the way, doesn't always prevent transmission of HIV to infants). What are the ethics of giving "pretty good" treatment to thousands of patients rather than the very best treatment to a handful?

"No ethical breach there," says Dr. Kiss, noting that we already sanction such trade-offs, for instance by providing good and reasonable care for the many rather than superlative care for the few. "It's a matter of resources," she said, "and it raises the deeply important question of access to health care. That really is the issue."

But so is the one raised by Dr. Angell. It is devilishly easy for good people with the best of intentions to slip into doing less than their ethical best — particularly when reputations and funding are at stake.

The Washington Post.

For Businesses With Global Vision, the World Is Their Oyster

By Jane Fraser and Jeremy Oppenheim

NEW YORK — Cynics ask: "What's so important about globalization? It's been under way for decades."

In some ways, they are right. Over the past 50 years, we have seen a remarkable liberalization of world trade, a gradual opening of international capital markets and the participation of more and more nations in the world economy. Yet apart from the relatively small international trade in goods and services and a few industries that globalized early, national economies have remained predominantly local.

We believe that today there are forces at work in the world economy that will break down the barriers between national markets and ultimately result in a radical reconfiguration of industries along truly global lines.

First, the engine of globalization is the growing scale, mobility and integration of the world's capital markets. A deepening pool of trillions of dollars of internationally mobile capital is pursuing profitable investments worldwide — from the gold mines of sub-Saharan Africa through the oil and gas reserves of the Caspian to the "red chip" companies of China. No longer the ally of vested interests within closed national economies, capital is increasingly available to anyone capable of generating a high return, wherever in the world they may be.

Second, deregulation is drastically expanding the size of the global arena open to foreign competition. We estimate that the value of the world economy that is "globally contestable" — that is, open to global competition in product, service or asset ownership markets — will rise from about $4 trillion in 1995 to well over $21 trillion by 2000. The opening of the emerging markets — China, Brazil, Mexico, Southeast Asia and Eastern Europe — is creating the headlines. But, in value terms, we believe that the largest opportunities for geographic expansion may actually be in the countries of the OECD over the next decade, as the financial, power, telecommunications, media, water and transportation sectors open up.

Third, we believe that the technological revolution in computing and communications is fueling the economic rationale for playing globally. On the one hand, the upgrading of the world's communication infrastructure is compressing space and time, enabling a massive increase in cross-border information flows and stimulating consumer demand around the world for the leading brands, products and services. Soon, services that used to require a local presence will be opened up to electronic delivery, amplifying companies' ability to reach consumers across the globe.

On the other hand, technological change is driving up the relative value of all forms of intangible capital — brands, intellectual property, software, media content and talent. Many of these assets have huge scale effects when leveraged globally, giving intangible-rich companies, such as Microsoft, Coca-Cola and Hoffman La Roche, strong incentives to shape their industries along global lines.

This new era presents a fundamental set of new management challenges. With greater freedom and "over choice" comes intensifying competition, diminishing control, accelerating product cycles and deepening uncertainty. The new global economy is one in which most companies, unable to rely on patronage or structural position for protection, are permanently vulnerable.

The scale and sheer number of the new global opportunities, the complexity of the competitive arena and the relentless performance discipline imposed by the capital markets will force companies either to specialize and become world-class in their chosen field or to exit. In industry after industry — from specialty chemicals to fund management — globalization is raising the stakes and forcing national and regional players to double or quit. The next decade will see shakeouts and consolidation on an unprecedented scale — even in "mature" industries such as machine tools or oil and gas.

The successful players of the next decade will win because they have learned how to think and act differently from the herd. Where others see threats and complexity, they see opportunity. Where other players unconsciously close down their degrees of strategic and organizational freedom, leading global companies open up to new industry definitions, radically disaggregated organizational architectures, unconventional sources of talent and untapped classes of opportunity. They shape opportunities by concentrating only where they have world-class skills and proprietary intangible assets. And they create open business systems that thrive on constant change, translate diversity into strength, attract top talent from all over the world and leverage other peoples' infrastructure, money and resources.

We are on the brink of a 50-year, irreversible transformation of the world economy from a series of local industries locked in relatively closed national economies to a system of integrated global markets contested by global players. Within a global arena that is expanding to four times its former size, standing still means falling behind in the race for position and opportunity. Creating a shared understanding of this reality is the principal leadership task for most corporations. Without a global mind-set, companies risk being marginalized; with it, the opportunities they face will seem almost limitless.

The writers are consultants with the New York and London offices of McKinsey & Co. An expanded version of this essay, which was contributed to the International Herald Tribune, appears in the current edition of the McKinsey Quarterly.

Take Trade Debate to the People

THE CLINTON administration's quest to gain "fast track" authority in trade negotiations promises to be autumn's major congressional battle. But it will be a great mistake if the fast-track debate is confined to Capitol Hill. President Bill Clinton should use this opportunity to launch a major national dialogue about how he intends to use this new trade authority, to paint a vision of what he thinks the globalization of the U.S. economy will mean for average Americans in the 21st century and to show what he intends to do to help those who may be victims of expanded trade.

Rarely has history given a president a better environment in which to do so. Fewer than one in 20 Americans is unemployed. Exports are booming. And President Clinton enjoys a 63 percent approval rating, according to a Los Angeles Times poll.

Globalization has made America richer. But workers who lose their jobs because of imports experience longer periods of unemployment and suffer larger permanent losses in earnings than those who are jobless because of other shifts in the economy. Economists say trade has little to do with these problems. But the public doesn't believe it. And support for fast track, trade and globalization has suffered as a result.

Mr. Clinton can lead the fast-track debate by taking the initiative on three fronts:

• Use the bully pulpit of the White House to launch a national dialogue on the implications of globalization for the American people. Better than any of his predecessors, Mr. Clinton intuitively understands the borderless nature of the emerging economy and has the skills to communicate a vision of that future to voters. He must be willing to admit that globalization will create both winners and losers, and that there are no easy solutions for the problems of the losers.

• Follow up words with action. To remain globally competitive and to retain public support for an open trading system, U.S. society needs a new social compact. In return for exposing workers to the insecurities of global competition, Washington and U.S. business must help American workers obtain the skills they need to prosper in the new international economy. The Trade Adjustment Assistance, or TAA, program, established to help workers hurt by imports, is up for renewal in 1998. It is currently little more than extended unemployment insurance. The president should pledge to fix TAA by expanding it into a comprehensive worker-retraining program for all who need it.

• Launch aggressive trade actions to open foreign markets. Americans need reassurance that the president will look out for U.S. interests in this new, uncertain world. Polls show the public backed Mr. Clinton's 1995 confrontation with Tokyo over access to Japan's auto market. The White House needs to demonstrate again that free-trade advocates are not patsies.

— Bruce Stokes, a senior fellow at the Council on Foreign Relations, commenting in the Los Angeles Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: English Clothes

LONDON — "No! we are not going to open a branch in New York," said Mr. D. Belinfante, manager of the well-known firm of Poole & Co., the fashionable tailors of Savile-row. "We don't want to go to New York, because it does not suit us to take such a step. The reasons against such a move are purely business ones — it would cost too much to import English goods to America, and also the price of labor is higher than in England. ... I can tell you that an American customer, when he orders of an English tailor, expects to get English clothes — English material and English-made."

1922: Dower of Grace

PARIS — A reader of the SUN asks whether anyone could imagine a young man bringing home a box of cigars to his mother as a birthday present. The strongest argument against smoking by women is the fact that it does not become her. Does she want to lose her most precious dower of grace and delicacy and cleanliness? Then let her smoke, chew, spit, swear, swap vile yarns, run gambling joints and so on, just as millions of men do. But will she be content with her vastly diminished destiny?

1947: LaGuardia Dies

NEW YORK — Fiorello H. LaGuardia, sixty-four, Mayor of New York City for twelve consecutive years and former director general of the United Nations Relief and Rehabilitation Administration, died in his home in The Bronx. Mr. LaGuardia, one of New York's most popular political figures and nationally known for his three dynamic city administrations, was operated on for cancer of the pancreas. He died in his sleep.

LANGUAGE

Forsooth, Will Had a Word for Everything

By Jeffrey McQuain
New York Times Service

NEW YORK — A 1996 Newsweek headline called him "Dead White Male of the Year," and The Washington Post has named him "Greatest Genius of the Millennium." But modern audiences all too often think of William Shakespeare's language in terms of *forsooth* (an Old English adverb meaning "truly") or *bodkin* (a Middle English noun for "dagger or sharp weapon" first used by Geoffrey Chaucer in "The Canterbury Tales").

Shakespeare is not the coiner of those archaisms, but his works have given English more than 1,500 other words, from the everyday *hint* to the rare *kickshaw* ("trinket"). Many of these inventions result from functional shift (using the noun *champion* as a verb) or affixation (adding a suffix to "excite" to make *excitement*). Some of his best coinages, though, come from compounding, or putting together two existing words to create a new meaning.

Fire-new, for instance, comes from "Richard III," when an aging Queen Margaret devalues a nobleman's recent title as a "*fire-new* stamp of honor." This compound provides a hot synonym for the older *brand-new*.

Among Shakespeare's shiny coins are a number of nouns and verbs worth recounting. His noun *bed-vow* refers to a promise of fidelity that applies equally well to married and unmarried couples. The narrator of Sonnet 152 reminds an unfaithful lover that "In act thy *bed-vow* broke"; more than three centuries later, James Joyce dropped the hyphen in the 1922 novel



"Ulysses" to write about a woman who "did not break a *bedvow*."

The lingering sadness from the death of Diana, Princess of Wales, suggests what Shakespeare calls *heart-grief*, a despair deeper than simple grief. Britain's better times are described in "Henry V" when the Earl of Cambridge reassures the monarch: "There's not, I think a subject that sits in *heart-grief* and uneasiness under the sweet shade of your government."

Perusers of Shakespeare's "Measure for Measure" may look for *over-read*, meaning "to read carefully or thoroughly." This verb should overtake "peruse," with its contradictory meanings of "to study carefully" and "to read casually." Another dramatic first is Shakespeare's verb *weather-fend*, meaning "to put up a windbreak" or "to shelter from bad weather." In "The Tempest," the spirit Ariel reminds Prospero of "the linegrove which *weather-fends* your cell."

In addition, many of Shakespeare's modifiers offer compound interest. His adjective *young-eyed* appears in "The Merchant of Venice" depicting the angelic innocence of "*young-eyed* cherubins." The late lexicographer Stuart Berg Flexner, whose books on American English are being revised for publication next month, preferred the Shakespearean *blue-eyed* (again from "The Tempest"), a modifier used since World War I to describe a similar naïveté.

Shakespeare's coin collection also includes the adverb *guest-wise* from "A Midsummer Night's Dream." In that comedy, Demetrius dismisses his temporary love for Hermia with "My heart to her but as *guest-wise* sojourned." Today the combining form *-wise* continues to produce coining by joining; in a recent "Peanuts" comic strip, a young boy named Rerun tells his grandmother, "I'm doing fine *kindergarten-wise*."

Politicians who need a euphemism for "lying" might lift a hyphenated adjective from "Troilus and Cressida" when Agamemnon calls his colleague Achilles "over-proud and *under-honest*."

Jeffrey McQuain is the co-author with Stanley Malless of Coined by Shakespeare, due in January from Merriam-Webster. He is also the language researcher for William Safire, who is on vacation.

BOOKS

TWO-GUN COHEN: A Biography

By Daniel S. Levy. Illustrated. 379 pages. $29.95. St. Martin's Press

Reviewed by Richard Bernstein

MORRIS Abraham Cohen, a/k/a Two-Gun Cohen, who was born in a Russian shtetl in 1887, illustrates one of the more colorful and exotic Jewish trajectories of modern history. His path took him to the East End of London, to reform school, to Saskatchewan as a cowhand and cardsharp, and then, when he was 35, to China, where he became a bodyguard for Sun Yat-sen, the leader of the 1911 republican revolution.

Cohen then witnessed Chinese history from up close, and participated in it as a hustler, political adviser, arms dealer and wartime prisoner of the Japanese. In the late 1950s, he became an apologist for the Maoist regime and a consultant to Rolls-Royce, which was trying to sell airplane engines to China.

In other words, Cohen had an interesting life, and Daniel S. Levy, a reporter for Time magazine, has carefully and colorfully laid it out in this new biography. Levy has sifted through a voluminous historical record, interviewed those still around who knew Cohen from the old days and, in particular, sorted out truth from legend in piecing together Cohen's peripatetic life.

This sorting out is particularly commendable, given that Cohen's life had, until now, been understood through "The Life and Times of General Two-Gun Cohen," a biography that Cohen wrote in the 1950s with writer Charles Drage. The Drage book, Levy shows convincingly, is filled with sensationalizing details that just happen not to be true.

In a way, however, Levy pays a price for his scrupulousness. His research proves that the legend of Morris Cohen made him out to be a more important figure than he actually was, even though he remains a fascinating and unusual historical footnote. Regarding this, Levy cites a journalist who knew Cohen as an aging figure in Asia, looking for an audience for his stories: "To hear him talk he was responsible for the whole Sun Yat-sen revolution. So far as I could make out he had a minor role in the whole thing. He was just a .38-caliber bore."

Cohen's family of Orthodox Jews fled to England from their village near the Polish border after the terrible Russian pogroms of the 1880s. But while his parents strove to make their son a model citizen, Morris as a small boy was already too restless and energetic to be contained by synagogue and study.

As a young man, he boxed professionally (he was known as Fat Moisha or Cockney Cohen), but also became a purse stealer and pickpocket under the tutelage of a petty crook known as Harry the Gonof. (Gonof means thief in Yiddish.) At 12, Morris was sent to a Jewish reform school for five years and, when he finished there, he was dispatched by steamer to Canada to live a useful and wholesome life as a farmhand in Saskatchewan. Cohen did work as a cowherd for a year, but soon found himself in a variety of occupations and shady activities in the Canadian Wild West. He was arrested more than 10 times and served two terms in prison, one of them for having sexual relations with a minor.

But Cohen was not an ordinary criminal. As described by Levy, he had a certain charm and curiosity that led him to his unusual turn toward China. He befriended Chinese immigrants in Saskatchewan and especially Alberta, in particular one Mah Sam, a restaurant and gambling-den owner. Mah was a supporter of Sun Yat-sen. Mah Sam introduced Cohen to the North American association that helped Sun raise money and find recruits for his military forces.

Eventually, in 1922, with the Canadian economy in a depression, Cohen went to China, quickly using his charm and hustle to worm his way into Sun's entourage as a bodyguard, eventually acquiring the title — a bit meaningless given the inadequacy of Sun's army — of general.

From then on, Cohen's life was intertwined with the turmoil of the 20th century in China, to which Levy proves himself a reliable and informative guide.

Cohen was far from the major player he made himself out to be, but as a minor player, he deserves the spot in the historical panorama Levy has given him.

New York Times Service

BRIDGE

Alan Truscott

IN the 1996 Reisinger Knockout Teams in Manhattan, the diagramed deal gave Alan Sontag of Manhattan a chance to demonstrate the playing skill that has brought him one world title and many national successes.

He found himself in an optimistic four-spade contract after East had doubled the opening bid of one club.

The opening lead was an unusual diamond king, aimed at holding the lead in some circumstances.

South ruffed, took a club finesse that lost to the king and ruffed another diamond.

He led the heart jack, covered by the king and ace, and led a low trump, from the dummy.

East put up the king and

	NORTH ♠ A ♡ — ◇ J ♣ A 6	
WEST ♠ — ♡ — ◇ 10 7 ♣ 9 8		EAST ♠ J 8 ♡ — ◇ A Q ♣ —
	SOUTH ♠ Q ♡ 6 5 ◇ — ♣ Q	

returned a trump, won with the ten in the closed hand.

Dummy was entered with a club lead, and the heart nine was finessed successfully.

The heart queen was cashed, reaching the ending shown at left.

Sontag led a heart winner and threw the diamond jack from dummy, leaving East helpless.

If he ruffed and led a trump, South would win in dummy and cross to the club queen, scoring the last heart.

And if he played a diamond after ruffing, South would throw his club queen, ruff in dummy and lead the club ace.

Making four spades gained 12 imps. A three-spade contract failed in the replay.

	NORTH (D) ♠ A 9 4 ♡ A 7 2 ◇ J 9 3 ♣ A J 10 6	
WEST ♠ 6 ♡ K 3 ◇ K 10 7 6 4 2 ♣ 9 8 5 2		EAST ♠ K J 8 2 ♡ 10 8 4 ◇ A Q 8 5 ♣ K 7
	SOUTH ♠ Q 10 7 5 3 ♡ Q J 9 6 5 ◇ — ♣ Q 4 3	

Both sides were vulnerable. The bidding:

North	East	South	West
1 ♣	Dbl.	1 ♠	2 ◇
Dbl.	Pass	2 ♡	3 ◇
4 ♠	Pass	Pass	Pass

West led the diamond king.

CROSSWORD

ACROSS

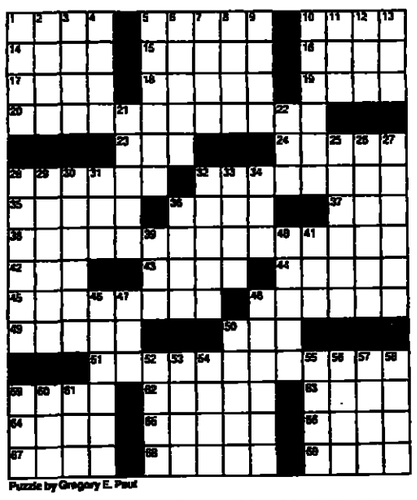
1 Separate, as flour or ashes
5 Forum language
10 Paul Bunyan's ox
14 Doughnut's middle
15 Primitive calculators
16 Military no-show
17 Bit of physics
18 "Dear friend!"
19 Door sound
20 Overjoyed
23 April 15 initials
24 Paper purchases
28 Egg-rolling time
32 Reddish-brown horse
35 Copper, e.g.
36 Greeting at sea
37 Hush-hush govt. group
38 Highly pleased with oneself
42 Afternoon hour on a sundial
43 Info
44 Country singer Crystal
45 Garbage-marauding critters
48 Present and future, e.g.
49 Borden's cow
50 Forbid
51 Bonkers
59 Opposite of all
62 Perch
63 "—— to leap tall buildings . . ."
64 Skunk's defense
65 TV duo Kate and ——
66 Carbonated drink
67 Overhaul
68 Bread maker
69 Trial balloon

DOWN

1 Mideast ruler of years past
2 Small amount
3 Dud
4 Office fill-in
5 Actress Hedy
6 Vast chasm
7 Novelist Janowitz
8 Suffix with poet
9 One of Columbus's ships
10 Two-pointer
11 Cobbler's tool
12 Feathered stole
13 Shade tree
21 Submit
22 Four Monopoly properties: Abbr.
25 Pesters
26 Biceps, e.g.
27 Belmont ——
28 Sovereign's domain
29 Antenna
30 Zeno and others
31 Fraternity "I"
32 Cowboy's wear
33 Aspiration
34 Hurricane's center
35 "Unto us —— is given"
39 Fuss
40 60's rocket stage
41 Soup container
46 Roman orator
47 Poet's preposition
48 Sampler
50 Count of jazz
52 Lebanese, e.g.
53 Defender of Dreyfus
54 Egg part
55 Wear well
56 Mitch Miller's instrument
57 The "O" in R.E.O.
58 Peachy-keen
59 Neither's partner
60 "—— to a Nightingale"
61 Doze (off)

Solution to Puzzle of Sept. 19

A	M	O	R	T			N	A	P	A		R	S	T
B	O	N	E	R		B	O	L	O	S		H	A	W
S	T	E	V	E	C	A	N	Y	O	N		A	L	E
C	H	A	S	E	R	S			H	E	L	P	M	E
A	R	C		D	E	I	G	N		R	E	S	I	T
M	A	T	T		S	C	R	A	P		G	O	N	E
		A	M	T		O	N	E	S	I	D	E	D	
	M	A	R	T	I	N	A	A	R	R	O	Y	O	
B	U	C	H	A	N	A	N		I	A	N			
A	S	H	E		G	R	E	C	O		S	L	O	G
I	C	I	E	R		C	R	U	D	E		I	R	E
L	U	L	L	A	Y			K	I	N	G	P	I	N
E	L	L		J	U	D	G	E	C	R	A	T	E	R
R	A	E		A	L	I	A	S		O	Z	O	N	E
S	R	S		H	E	M	P			L	E	N	T	S



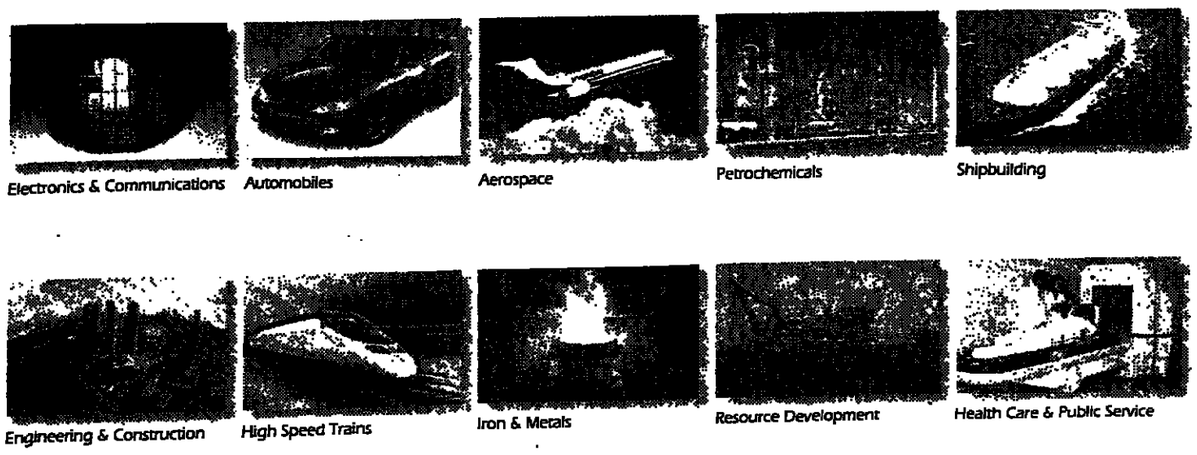
Puzzle by Gregory E. Paul

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SOROS: *Financier, in Currency Feud With Malaysian Leader, Calls Mahathir 'a Menace to His Own Country'*

Continued from Page 1

last month, the Malaysian prime minister blamed hedge-fund investors such as Mr. Soros, whom he called "a moron."

In remarks that some bankers fear could trigger another sell-off in Malaysia's currency and equity markets, Mr. Mahathir said Saturday that "quite a few people who are in the media and in control of the big money seem to want to see these Southeast Asian countries and in particular Malaysia stop trying to catch up with their superiors and to know their place."

During his speech before an audience of international investors, bankers and government officials, the Malaysian leader also blamed international speculators for "the attempts to push us back by a decade through forced devaluation of our currency, through the rape of our share market." He said, however, that "we in Southeast Asia and in Asia are still keen to receive investments from Europe and America."

Mr. Mahathir said there had been "a lot of talk about our scaring away foreign, meaning Western, capital." But he stressed that "we of Southeast Asia at least are now very scared about foreign capital."

"We thought they were helping us to prosper. We conducted road shows to encourage them to invest in our share and financial markets. We will continue to do so," he said, adding: "We still believe there are sincere investors out there. But there are also quite a few rogues who can cause an avalanche forcing others to run for cover."

In the presence of the World Bank president, James Wolfensohn, who described him as a long-time friend, Mr. Soros said Sunday that he had been subjected to "all kinds of false and vile accusations" by Mr. Mahathir. He contended that the Malaysian leader was using him "as a scapegoat to cover up his own failure."

The vitriolic exchange between Mr. Mahathir and Mr. Soros was a rare occurrence against the normally sedate backdrop of the World Bank and International Monetary Fund's annual meetings. By Sunday, the Soros-Mahathir dispute had riveted the attention of the thousands of bankers and government delegates.

Mr. Soros said at a news conference Sunday that Mr. Mahathir was "playing to a domestic audience" and added, "I don't think he should be taken seriously because this is all grandstanding. The local media are controlled by Dr. Mahathir, and that is what enables him to grandstand the way he does."

If the Malaysian leader's threat to ban currency trading were taken seriously, Mr. Soros said, "it would have a devastating effect on markets." Mr. Soros said that he had not sold any of Malaysia's currency until at least two months before the crisis, and had been actually buying ringgit. He did not define the starting date of the crisis.

Asked why he thought he had been singled out by Mr. Mahathir, he cited "ideological differences" between his own vision of an open society and Mr. Mahathir's notion of Asian values.

In his speech, Mr. Soros said that the emphasis on Asian values had "served as a convenient pretext for resisting democratic aspirations." The Hungarian-born Mr. Soros, who made his fortune through stock and currency trading, has donated heavily to organizations promoting free enterprise.

Paul Volcker, a former chairman of the U.S. Federal Reserve Board who was attending the meetings here, cautioned against taking Mr. Mahathir's remarks too seriously. "He is venting his frustration," Mr. Volcker said.

While bankers and officials were speculating Sunday on the potential impact of Mr. Mahathir's remarks when trading resumes in Malaysia on Monday, the prime minister's top deputy, Finance Minister Anwar Ibrahim, appeared to be engaged in damage control.

"There is absolutely no change in the practice of currency trading at present," he said Sunday. The Malaysian finance minister, who earlier this month sought to woo back foreign investors frightened by Mr. Mahathir's rhetoric, claimed that the prime minister had been speaking only in the context of World Trade Organization negotiations for rules to liberalize financial services markets.

Mr. Anwar said Malaysia would "like to proceed" with the WTO talks "only on condition there are effective guidelines, mechanisms to protect emerging economies from unscrupulous speculators." But he said Kuala Lumpur remained "committed to further measures to liberalize" its economy.

Mr. Anwar's clarification marked the second time in seven days that Malaysia had followed an attack on foreign speculators with attempts to soothe foreign investors. A week ago, Mr. Mahathir sought to reassure foreign fund managers that they were still welcome in Malaysia.

Mr. Soros also conceded that he considered "the laissez-faire idea" that markets should be left to their own devices a dangerous notion because "the instability of financial markets can cause serious economic and social dislocations."

Mr. Soros contended that "Malaysia has a problem, which is the excessive credit expansion that has occurred." He said that Malaysian credit had grown by an average of 30 percent a year over the past three years and was now approaching 160 percent of gross domestic product, and that finance company loans equaled 57 percent of GDP.

WALL: *Malaysia Slams Door*

Continued from Page 1

months has focused on stopping the Thai contagion from spreading. No symbol of this effort seems as poignant as Malaysia's wall.

To howls of disapproval from Bangkok, the border wall was completed this year. It covers a 13-mile (21-kilometer) western stretch of border that starts here and runs to the Andaman Sea.

Malaysia says it built the wall mainly to keep out illegal immigrants. Like the U.S. border with Mexico, the frontier here is a gateway to lucrative jobs for Bangladeshis, Indians, Nepalese, Cambodians and Burmese.

Recent market turbulence has knocked Thailand off its international pedestal as the next Asian "tiger," and illegal immigrants seem to have gotten the message. Bangkok's growth projections have been reduced to a small fraction of Kuala Lumpur's estimates for its economy.

According to Shahidan bin Kassim, chief minister of Perlis, the Malaysian state through which most of the wall runs, some 3,000 illegal immigrants are caught every year crossing the border in his state alone. Mr. Shahidan says the wall is helping to cut the number of illegal entries as well as reduce the amount of firearms, illegal drugs and livestock smuggled into Malaysia.

Thais were initially stunned to learn of the barrier being erected across their southern border, and Bangkok at one point dispatched a dozen helicopters to a disputed border area where the wall was being built. But Thailand now has other, more pressing matters to attend to.

"We didn't put too much emphasis on the public relations side," said Abdul Razak Abdullah Baginda, executive director of the Malaysian Strategic Research Center. "We should have been more sensitive to how the Thais would receive the wall."

Building the structure, which Malaysian officials say cost 54 million ringgit ($17.8 million), required taming large swaths of jungle and following a border than runs atop thickly vegetated bluffs and limestone cliffs. The border is delineated by various topographical features — the watershed of a hill or the deepest point of a river — landmarks that are likely to change as hills erode or rivers shift. With the wall, however, the border has become better defined and, so too, has the divide between Thailand and its poorer Indochinese neighbors to the north and wealthier Malaysia and Singapore to the south.

Patrolling the border wall are men like Yuga bin Pak Itam, a member of a special police unit who hails from a Malaysian aboriginal tribe. Mr. Yuga and his colleagues wear green fatigues and carry assault rifles. After dark, the favorite time for illegal crossings, they survey the wall atop watchtowers, aided by night goggles.

Mr. Yuga was recruited into the border force not for his mastery of modern weaponry but for his intimate knowledge of the thick jungle that creeps up near the wall on the Malaysian side. Aboriginals in the force spend much of their free time roaming the jungle with blowguns — six-foot-long bamboo tubes that shoot darts laden with a homemade poison that can kill a monkey in 10 minutes.

"They could go into the town during their free time," said Zaidon Mustaffa, an assistant superintendent for the state. "But they don't. They like to be in the jungle."

All of this — a wall topped with barbed wire, thick jungle and Malaysian police who know it well — might seem enough to deter illegal immigrants from crossing, but it is not. They still come and still make it through. Malaysian officials estimate that police catch only one third of the total number of illegals who cross the wall.

Malaysia's eight feet of reinforced concrete is no Berlin Wall. No mines have been laid. And there is still more than 250 miles of unwalled border.

"There are many points to cross," said Thaveesuk Manopatana, a top official in the immigration police on the Thai side of the border. "It will never work 100 percent."

When caught, illegal immigrants rarely put up a fight, said Norzon bin Karim, a radio operator who patrols the wall daily. Often aided by agents on both sides of the border, the aliens pay anywhere from $400 to $1,200 for a chance to work in Malaysia, where an unskilled laborer can earn an average of 30 ringgit (about $10) a day. In contrast, Mr. Bicha, in Thailand, makes an average of $4 a day loading and unloading cooking oil, fabric and electronic goods being traded at the border.

OIL: *Battling for the Caspian Bonanza*

Continued from Page 1

notize Western security planners as completely as the finances transfix oil executives. Once Caspian oil begins flowing, they dare to dream, they will never again have to kowtow to OPEC or maneuver to prevent oil-thirsty nations from dealing with Iran and Iraq.

With that relief, however, will undoubtedly come new troubles, for the competition involves not only governments and oil companies, but also warlords who control or move through the regions where the pipelines needed to bring the oil to market might be built.

Depending on where the lines are laid, power over the energy supply may fall to Chechen rebels, irredentist Armenians, Russian or Turkish gangsters, Iranian mullahs, Kurdish guerrillas or mercurial chieftains of ethnic groups that nurse ancient grievances of which the outside world knows almost nothing.

"All the options are complicated, and none is trouble-free because they all either pass through politically unstable areas, involve high costs because of distance and terrain or are politically risky because they offend the sensibilities of one or another of the regional powers," Rosemarie Forsythe, an American diplomat who specializes in international energy issues, wrote last year.

That there is oil beneath Azerbaijan has been known for centuries. The 13th-century explorer Marco Polo reported that springs here bubbled with black goo that was "good to burn."

From 1880 to 1910 the Rockefeller, Rothschild and Nobel families made fortunes here. In World War II, Azerbaijani oil fueled the Red Army, and Baku, the capital, was a prize that Hitler tried but failed to capture. Over the entire Soviet period, however, only modest amounts of oil were produced here as Moscow preferred to develop fields in Siberia and other parts of Slavic Russia rather than invest in peripheral Muslim republics.

The proven reserves beneath Azerbaijan's portion of the Caspian total 17 billion barrels, the equivalent of the North Sea field.

Geologists believe that at least 20 billion to 30 billion additional barrels remain to be found. The other oil-rich corner of the Caspian belongs to Kazakstan, with proven reserves of 10 billion barrels and perhaps three times that not yet found.

Some specialists in Baku believe these figures may be low. Estimates of total reserves in the Caspian and the lands around it run up to 200 billion barrels, enough to meet the energy needs of the United States for 30 years or more.

After declaring independence from the Soviet Union in 1991, Azerbaijan and Kazakstan fell into turmoil from which they are emerging. Foreign oil companies began large-scale investment in the region in September 1994, when the Azerbaijani state oil company signed what was called the "contract of the century," a $7.4 billion deal with a consortium of 10 companies from the United States, Britain, Norway, Russia, Turkey and Saudi Arabia.

Four more contracts have since been signed, with French, Italian, Japanese and Iranian companies among the new arrivals. Mobil paid $1.1 billion for a stake in Kazakstan's biggest oil field, followed quickly by Russia's state-owned oil conglomerate; Malaysian and Chinese interests are negotiating for the second-largest field. In neighboring Turkmenistan, U.S. and British companies have bought permission to search for oil in an 8,000-square-mile (21,000-square-kilometer) tract along the Caspian coast.

The first consortium, Azerbaijan International Operating Co., is drilling in the Caspian and expects to begin producing oil before the end of the year. The competition now is over pipeline routes, and the outcome will have far-reaching political and economic effects.

Whoever controls the route or routes will be able to count on steady income from transit fees and to exert pressure on producing and consuming countries.

"If you can't get the oil out, it's no good to anyone," said an American oil analyst in Baku. "But every way of getting it out presents its own set of problems."

The first flow of oil is to be sent through an existing pipeline that runs north from Baku through Chechnya to the Russian port of Novorossisk on the Black Sea. Moscow would like to expand this line so it can be used for the far larger flows to come, but to do so it must cooperate with Chechnya's secessionist rebels.

Russian and Chechen leaders finally reached an accord this month on splitting the transit fees, but reflecting their mistrust, the Russians immediately announced that they want to build an alternative route through North Ossetia, which is more stable politically.

The only existing alternative pipeline does not run through Russia at all, but westward from Baku to the Black Sea port of Supsa in Georgia. It passes through potentially explosive regions of Georgia, but Georgian officials say they can guarantee its security.

Once the oil reaches Supsa, however, what should be done with it? One option is to ship it in tankers across the Black Sea, through the Bosporus into the Mediterranean. But Turkish officials strenuously object to such heavy tanker traffic because of the environmental risks.

The Turks want to build a 650-mile pipeline from Supsa across eastern Turkey to their port of Ceyhan on the Mediterranean. But some oil executives worry about the time and expense of building such a pipeline, and they cannot ignore the risk that Kurdish guerrillas in eastern Turkey might try to sabotage it.

Another possibility would be to ship or pipe oil from Supsa across the Black Sea to Bulgaria or Romania, sending it by pipeline from there to a Greek port. Azerbaijan's president, Heydar Aliyev, has even suggested that he would consider a pipeline through Armenia if the two countries can settle their dispute over the region of Nagorno-Karabakh.

When oil planners look at maps, however, they cast their eyes on a tantalizing alternative: simply tie Baku to the existing pipeline network in neighboring Iran and send the oil south to the Gulf.

This proven route leads to ports already equipped for shipping oil and avoids the baffling range of political, ethnic, national and religious conflicts bubbling across the Caucasus. But the United States, which rejects virtually all cooperation with Iran, strongly opposes it. Some influential figures in Washington are quietly suggesting that it may be time to reappraise policy toward Iran, particularly after the election there in May of a relatively moderate president, but they have not had any visible success.

An even more daring possibility is to run a pipeline from Turkmenistan south to the open sea through Afghanistan, where the ruthlessly fundamentalist and anti-Western Taleban movement is in control. At least one American company, Unocal, has reportedly held talks about the pipeline with Taleban officials.



Ilkars Zoss/Reuters

MANHUNT — Police searching Sunday for a man who killed seven people in a potato field in Latvia. He committed suicide.

ARABS: *Defying the UN, They Grant Gadhafi Landing Rights*

Continued from Page 1

in 1994 when a plane carrying observant Muslims flew from Libya to Saudi Arabia for the hajj, the annual pilgrimage to Mecca.

The resolution that was adopted after three days of talks by foreign ministers was unabashed in expressing support for Libya. "We invite Arab countries to take measures to alleviate the sanctions on Libya until a peaceful and just solution to the crisis can be found," the resolution said.

It specifically urged states in the 22-member Arab League to allow flights carrying "the political leadership and official Libyan delegations participating in regional and international meetings" to land on their territory.

The resolution also called on Arab countries to authorize flights for "humanitarian reasons such as the transport of the ill and the dead and medicine as well as religious flights." The resolution also invited member countries to lift a freeze on Libyan accounts in Arab banks except for oil funds.

The decision is bound to be seen as a challenge to the United Nations, which chose not to act last spring when Iraq sent Muslim pilgrims to Saudi Arabia in defiance of a similar UN travel ban.

Libya announced July 10 that it would no longer respect the sanctions imposed against it, and the Arab League resolution seemed at least partly to endorse that declaration. The organization renewed its support for Libya and "praises its efforts aimed at finding a peaceful resolution to the crisis."

The resolution was passed at the end of a session in which Arab officials were able to agree that Israel was at fault for the latest breakdown in the quest for peace, but seemed unable to agree about whether further punitive measures were required.

A particular issue is a planned economic meeting in November in Doha, Qatar, that is to be the fourth such annual gathering aimed at cooperation between Israelis and Arabs.

Along with Syria and Lebanon, which have never attended the gatherings, a number of leading Arab countries have said that the policies currently advocated by Prime Minister Benjamin Netanyahu of Israel have made it inconceivable for them to attend this year's session.

[In the end, the foreign ministers in effect gave Qatar clearance to hold the conference by allowing each country to make up its mind whether to attend, Agence France-Presse reported. The Saudi foreign minister, Prince Saud al Faisal, said that his country would carry out its threat to boycott the meeting.]

A report by the Reuters news agency on Sunday night said that Yasser Arafat, the Palestinian leader, who believes that the meeting should not occur, had fainted after a heated argument with an official from Qatar.

A doctor who declined to be identified told Reuters that Mr. Arafat had been revived by a doctor and had been led from the meeting before he returned to his home in Gaza.

Neither report could be independently confirmed.

HAMBURG: *Electoral Setback for German Social Democrats*

Continued from Page 1

reached alarming levels, prompting the major parties here to run on "law and order" platforms.

But as Hamburg's largest party and the one that dominated politics here for half a century, the Social Democrats were clearly saddled with much of the blame for the rise in crime and joblessness. Those issues seemed uppermost in the minds of voters, even more than the debate over whether Germany should surrender the cherished Deutsche mark next year in favor of the single European currency.

The Social Democrats must decide whether they want to rule Hamburg in a grand coalition with the Christian Democrats or seek an alliance with the Greens. For several months, Mr. Voscherau has said he was uncomfortable with either prospect, a factor that clearly contributed to his decision to resign.

Ole van Beust, the Christian Democratic leader in Hamburg, contended that a grand coalition was necessary to block the further rise of "neo-Nazi extremists." But the chief of the Greens, Krista Sager, also staked a claim to sharing power, saying her party had proved its strength and no longer deserved to remain in opposition.

The Hamburg vote could foreshadow a similar dilemma in national elections next year if the Free Democrats, Mr. Kohl's coalition partner, continue to slide in popularity and drop out of Parliament. The Free Democrats fell below the 5 percent hurdle and lost all seats in the Hamburg assembly. Opinion polls show they may suffer the same fate at the national level.

While the Social Democrats are running ahead of the Christian Democrats in nearly all voter surveys, there are serious concerns within the main parties and the public over whether a "Red-Green" alliance would forge a stable government at a time when Germany faces painful problems in restructuring its economy.

All of Mr. Kohl's major reforms on the federal level have been blocked by the Social Democrats, leading many commentators to argue the only way out of the country's political impasse is for the two leading parties to create a grand coalition. But Mr. Kohl has insisted he will never govern with his Social Democratic enemies and would prefer to leave office than serve in such an alliance.

■ Opposition Plays Down Loss

The national campaign manager of the Social Democrats, or SPD, played down the outcome of the Hamburg election Sunday, Reuters reported.

"There were no winners in Hamburg," said Franz Muenterfering. "It was a disappointing result for the SPD. But we were not beaten. The SPD still won far more votes than the other parties."

But the Christian Democrats' campaign manager, Peter Hintze, said, "The SPD got smacked by the voters in Hamburg."

Guido Westerwelle, the Free Democrats' campaign manager, said the election had come as a bitter defeat for his party. "We lost this election," he said.

INQUIRY: *White House Will Cooperate*

Continued from Page 1

that a law was violated, a 90-day investigation is initiated to determine whether the attorney general should go before a three-judge federal panel to seek the appointment of an independent counsel. A counsel would have wide-ranging powers to pursue an investigation.

The law against soliciting political donations on government property has never been tested at the presidential level, and questions remain as to how it might apply. But the political impact of a prolonged investigation could be serious, perhaps most gravely to Mr. Gore's hopes for becoming president in 2000.

Reaction Sunday was mostly along partisan lines. Several Republicans complained that Ms. Reno's action was inadequate. A senior party leader, Senator Thad Cochran of Mississippi, said she should have directly sought a special counsel, and he called for her resignation. "I think it's ridiculous to continue to drag it out," he said.

Republicans said that they assumed the review would lead to the appointment of a special counsel. "I honestly think she has no other choice," said Representative Henry Hyde, Republican of Illinois and chairman of the House Judiciary Committee.

Some Democrats, including Representative John Conyers of Michigan, said they believed the 30-day review would show that no law had been broken.

Republican and Democratic congressmen alike said Sunday that if a special counsel was ultimately appointed, the investigation might quickly be expanded from illegal phone calls to other areas.

A top Republican, Senator Orrin Hatch of Utah, said an independent counsel should examine allegations of attempts by foreign donors to buy influence. He said he or she should also look at the diversion of less regulated "soft money" donations, mainly for so-called party building activities, into more heavily regulated "hard money" purposes, supporting individual candidates.

Administration aides have mounted a three-pronged defense: They say it is not clear that Mr. Clinton made the calls; they say that if he did, he did not specifically ask for money; and they say that in any case, the law against making fund-raising calls on federal property does not apply to the president, and would not apply to calls made from the residential parts of the White House.



Chere Kleponis/Agence France-Presse

Mr. and Mrs. Clinton returning to the White House on Sunday after a trip to California, where they took their daughter, Chelsea, to college.

POLAND: *In Early Exit Polls, Solidarity Leads Ex-Communists*

Continued from Page 1

munists promised an even rosier future.

The fault lines in the election, which many consider a landmark, were ideological, according to politicians, pollsters and voters. Whether people were or were not Communists is a question that still haunts many Poles eight years after the collapse of the Berlin Wall.

And because the question still dominates the political environment, the former Communists were unlikely to command much more than one-quarter of the vote.

A right-of-center populist coalition, grouped around the anti-Communist Solidarity trade union, which is now known as Solidarity Election Action, was also likely to command about one-quarter of the vote.

This would probably leave as kingmaker Leszek Balcerowicz, the architect of Poland's shock-therapy economic reforms and now the leader of the centrist free-market party, Freedom Union.

Mr. Balcerowicz will probably be courted by both major parties as they struggle after the vote to form a government.

Mr. Balcerowicz's program, calling for faster privatization and completion of the economic reforms he started, is actually closer to that of the former Communists than to the platform of Solidarity, which is not anxious to complete the reform program begun five years ago.

But given Poland's current ideological divide, Mr. Balcerowicz cannot say so. "We have to take into account the emotions of our voters," he said, as he completed a radio interview.

Foreign investors, many of them big U.S. companies, said they hoped that the former Communists, whom they see as more progressive on the economy, would come in ahead of Solidarity.

Whatever the shape of the new government, it will be taking over a Poland that in many ways looks far more like a country on the move than the much richer members of the European Union it hopes to join.

Poland is heading for its third year of about 6 percent economic growth. Unemployment, at slightly below 12 percent, has been steadily declining and real incomes are rising. Car sales have grown at such a phenomenal rate that international manufacturers are racing to build plants.

Some of this success was expected to help the former Communists, who in 1993 won 20 percent of the vote and formed a government with the Peasant Party. But they were not expected to be in the next government. "The public is happy with the economic growth but unhappy with the method of governing," said Wojciech Pawlak, who runs a top polling organization. "They feel there is political corruption."

Back at the supermarket parking lot, Anna Cegiela, 44, a language professor at Warsaw University, said she could not trust the former Communists. "I'm old enough to remember what they were like," she said. "And they want to appoint all their people to top posts."

Whatever the outcome, many in Poland said they saw the election as a final leg in the maturing of the democratic process. It will be the third national election — after a parliamentary election in 1993 and a presidential election in 1995 — in which standard methods of Western electioneering were used. Television advertising, scrappy radio and television debates and exit polls are all routine now. And most important, the count is considered sound and the results are respected.

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India Shies From Reform As Old Fears Re-emerge

Swings in Policy Discourage Foreign Investors

By Kenneth J. Cooper
Washington Post Service

NEW DELHI — When the media baron Rupert Murdoch beamed the first private television shows into India in 1991, breaking a government monopoly on the small screen, foreign ownership of satellite TV networks was unrestricted. Mr. Murdoch led a boom in the broadcasting market and now owns an interest in six channels available in India.

But a new coalition government is moving to cap ownership by Mr. Murdoch and other foreign broadcasters.

Last year, a draft of comprehensive broadcasting legislation set a limit of 25 percent on foreign ownership of any channel. The proposed limit has since been raised to 49 percent. But some lawmakers across the political spectrum have pushed for a complete ban.

India has made a similar reversal on civil aviation. Following a 1993 court decision overturning the 40-year monopoly of the state-owned domestic airline, the government let two Gulf airlines own a combined 40 percent stake in what has become the nation's most successful private carrier. But under a new policy adopted this year, Kuwait Airlines and Gulf Air will have to divest their holdings in Jet Airways next month, and Singapore Airlines will not be permitted to join India's oldest and largest industrial conglomerate in financing a new airline.

The current policy of Prime Minister Inder Kumar Gujral's cabinet does allow foreign investors to own as much as 40 percent of a domestic carrier — as long as those investors are not other airlines.

In the six years since India abandoned a socialist path and opened its door wider to private capital from abroad, that door has creaked back and forth in the political gusts blowing here in the capital, producing inconsistent policies that have bewildered prospective investors.

Judging from emotional parliamentary debates on foreign investment, during which critics have warned that an influx of international capital will put sovereignty and security at risk, a million anxieties have gripped this country of 950 million and stalled economic change. The amount of direct investment that has stirred those fears is relatively low. In each of the last six years, less than $2.5 billion from abroad has flowed into a $1 trillion economy. Still, xenophobia has been directed at multinational companies, primarily ones based in the United States, India's biggest trading partner and largest foreign investor.

"Slowly, you are giving away everything to the multinational companies," Chandra Shekhar, a former prime minister, warned Parliament last month. "The way the financial capital of the country has been sold to foreigners, the way they have captured our industry, is enough to hang our heads in shame."

"The country is compromising its sovereignty," Mr. Shekhar said.

What is it that has bred so much insecurity in India — a developing nation of immense proportions, one with extensive natural resources, more skilled technicians than any country except the United States, the capacity to make nuclear weapons and one of the world's largest armies?

"These are all imaginary fears, a by-product of the old command type of economy, the Soviet type of thinking," Manmohan Singh, the finance minister who guided the economic changes, said last year just before leaving his post.

"Partly, they are rooted in the experience of India — how the East India Company came here as a trader and ended up as a ruler. But I think over a period of time, as our people get more self-confidence, this fear will disappear."

Mr. Gujral, as foreign minister last year, urged the formulation of an economic strategy suited to India's circumstances, just as China entered the global market with its own brand of capitalism. But since becoming prime minister in April, he has not outlined a distinctive Indian strategy.

Finance Minister Palaniappan Chidambaram, asked to describe the government's strategy for attracting and deploying foreign investment, responded with a lengthy recitation of bureaucratic procedures for reviewing such proposals, giving the impression that parliamentary ambushes had put him on the defensive. "There are enough checks and balances to ensure that foreign investment does not affect India's national interests and is channeled into core areas of the economy," he said.



Manmohan Singh, former finance minister, says Indians' fears are rooted in the past. Above, Mr. Singh and the U.S. Treasury secretary, Robert Rubin, meeting in New Delhi in 1995 to discuss economic reform.

Last month, when support for legislation to enable private insurers to compete with government companies collapsed just before a scheduled vote in Parliament, Mr. Gujral withdrew the proposal. Critics had called for an amendment to bar foreign insurers from India, even though its nationalized companies do business in several other countries.

India was thought to have reached a political consensus in favor of foreign investment except in consumer goods, but that consensus has apparently broken down since the defeat last year of the Congress (I) Party government of Prime Minister P. V. Narasimha Rao.

It was Mr. Rao, confronted with a shortage of foreign currency to pay for essential imports in 1991, who opened the economy wider to trade and foreign investment. But disagreements about foreign investment have emerged among partners in the 13-party coalition that formed the last two governments.

The voices of anxiety roared during a recent debate in Parliament on the state of the nation after a half-century of independence. Sushma Swaraj, a leader of the Hindu nationalist Bharatiya Janata Party, accused foreign companies of spoiling the nation's youth with high-paying jobs, luring them away from careers in the military, medicine and engineering. "This is bad for the country," she said.

Outside the political realm, Indians have grown so accustomed to government controls that they have difficulty grasping how a market economy works. Several affluent Indians at a Delhi dinner party at first refused to believe an American guest who told them foreigners were permitted to own farmland in the United States.

Similarly, V. N. Gadgil, a former information and broadcasting minister, was stunned to learn that U.S. restrictions on foreign ownership of television properties do not apply to publications.

"Any foreigner can buy any newspaper in the United States?" he asked in disbelief. With few expectations, since 1955 India has prohibited foreign companies from owning an interest in periodicals published in the country.

Mr. Gadgil would make the government's media policy more consistent by also banning foreign ownership of TV channels, which he accused of alienating young Indians from their cultural roots. "All they do is watch MTV and buy jeans, Coca-Cola, hamburger," he said. The 35 channels telecast in India have created at least 200,000 jobs in six years, but he dismissed that as irrelevant.

Similarly, India's aviation policy has become so complicated — with foreign investors, except airlines, allowed to own 40 percent of a domestic carrier — that the junior minister of aviation, Jayanthi Natarajan, declined to defend the policy, adopted in January before her appointment.

Eric Vaz, projects manager for the Tata conglomerate, the Indian partner of Singapore Airlines, noted that the government had permitted multinational power and telecommunications companies to invest directly in those industries. "We don't see any logic why that wouldn't apply to airlines," he said.

G-7 Meeting Targets Tokyo Trade Surplus

Yen's Fall Could Lead to Intervention

By Alan Friedman
International Herald Tribune

HONG KONG — Currency markets will open for trading Monday in the wake of an unusually explicit warning from the Group of Seven leading industrial nations against an "excessive" depreciation of the Japanese yen that could inflate Tokyo's already soaring trade surplus.

Faced with U.S. concerns that Japan's surplus could balloon still further if it tries to export its way out of its economic malaise, Tokyo agreed to a G-7 weekend statement that contained unambiguous language rarely seen at such meetings.

In a meeting here, Treasury Secretary Robert Rubin of the United States and his Japanese counterpart, Finance Minister Hiroshi Mitsuzuka, discussed the trade surplus, Japan's economic weakness and the risk that a large Japanese surplus could make it more difficult for President Bill Clinton's administration to sell the U.S. Congress on its proposal to give it authority to negotiate international trade accords rapidly. This is known as "fast-track" legislation.

The G-7 statement came after what Mr. Rubin termed "a rather candid discussion" with Japan.

Officials here said the implicit threat of coordinated G-7 intervention in foreign-exchange markets to prevent the yen from weakening against the dollar was contained in the standard phrase that the G-7 had "agreed to monitor developments in exchange markets and to cooperate as appropriate." France's finance minister, Dominique Strauss-Kahn, cleared up any ambiguity as to the target of the statement. "It is indeed the yen that was aimed at," he said.

A Japanese Finance Ministry official, meanwhile, said the G-7 statement meant that "an excessive fall of the yen is undesirable." He added that Tokyo was not seeking to push the yen lower to export its way out of its economic difficulties.

Mr. Rubin told reporters that Mr. Mitsuzuka had "reaffirmed Japan's commitment" to containing its trade surplus. But he added that Mr. Mitsuzuka had "expressed some concerns about achieving that."

For his part, Mr. Mitsuzuka acknowledged that the Japanese economy remained weak partly because of an increase in the country's consumption tax in April.

Other highlights of the weekend's meetings of the G-7 and the International Monetary Fund included the following:

- The G-7 expressed satisfaction with the IMF's $17.2 billion bailout for Thailand and agreed on the importance of keeping the financial turmoil in the region from spreading and on pushing for more transparency and better banking supervision.

In private, however, many officials remained skeptical about the commitment of Thailand and other East Asian nations to serious financial-sector reform.

- The IMF's policy-making Interim Committee called for an amendment to the Fund's articles of operation that would make "liberalization of capital movements" one of the purposes of the IMF.
- Nearly all G-7 ministers and some other Asian government officials poured cold water on a proposal from the Association of South-East Asian Nations to set up a multibillion-dollar regional rescue fund to supplement the IMF's financial safety net. Officials said a new fund was probably unnecessary and could lull governments into a false sense of security by making them feel they would be bailed out of any financial problems.
- The IMF's Interim Committee on Sunday approved plans to increase the money provided by 180 member governments through its so-called quota system by 45 percent, or $88.4 billion, bringing the new total to $285 billion. The committee also increased the amount of the IMF's artificial currency that members can call upon, known as Special Drawing Rights, by the equivalent of $29 billion. The decision came three years after the G-7 and developing nations clashed over the issue at a meeting in Madrid.

CYBERSCAPE

Internet Providers Keep Eye on Kids

By Paul Floren
International Herald Tribune

PARIS — The number of children logging on to the Internet has grown by 18 percent since 1995, a report says. As the on-line market for children continues to expand, more companies are attempting to develop it — but they face the same restrictions common to any product aimed at children.

According to a study by Emerging Technologies Research Group, 14 percent of American children, or 9.8 million in all, now use the Internet. These users are 8 to 17 years old, on average, and log on three times a week for an average of 4.3 hours. Most do so from home using their parents' computer and on-line service, but this is changing as new government, nonprofit and private initiatives aim to increase Internet activity at schools across the United States.

As this happens, it is bound to have some serious implications for the industry as a whole, analysts agree.

One will be the need for computer makers to market a cheaper computer that provides full Internet access, word processing and gaming abilities marketed at children both in schools and at home.

Thomas Miller, vice president of the Emerging Technologies Research Group, questions whether this might not be the next wave to push the computer industry in the coming years.

But Ken Frazer, an analyst with Dataquest, could only see this happening if the increase in demand were extraordinary dramatic or if the school system "became an outlet for computers."

The second implication is that content providers, companies that sell educational and entertainment products over the Internet, will have to develop a business model to sell their goods to the traditionally sensitive children's market.

A big question surrounding children's sites, Mr. Frazer said, is what the ultimate motivation is: Will the sites be nonprofit or, as retail traffic further develops in 1998, will they become increasingly commercial?

Appaloosa Interactive Corp. is trying to develop this niche by working closely with teachers and parents to develop content for children that is entertaining yet educational.

Stephen Friedman, co-founder of Appaloosa, believes that their content is perfectly suited to schools. "Our studies with teachers and schools are very positive," he said.

The site, called Bonus.com, was developed to act something like a school field trip: "It is fun for kids, and teachers do not have to do very much work to incorporate it into their curriculum," Mr. Friedman said. The site includes almost 900 activities ranging from games to interactive trips through the prehistoric world of dinosaurs.

The service has been up and running since January and has been attracting about 1,000 new users a month.

Advertisers include Pizza Hut, McGraw-Hill, Microsoft, Sega, IBM and other companies that aim at families. Appaloosa adheres to the same strict guidelines that television broadcasters must respect when transmitting shows for children. Adopting a different approach to capture the same market, Walt Disney Co. says parents will pay for their children to have safe and educational on-line entertainment.

In exchange for $4.95 a month in subscription fees, Disney Online offers a selection of news written daily (often by children), jokes, learning pages with Mickey and Minnie Mouse, interactive stories and educational games.

Disney also sells advertising on its site and hopes to offer the site in reseller agreements with major on-line services and Internet providers.

Another company adopting the subscription approach is Scholastic Corp., which charges a yearly fee of $250 for individuals and $2,200 for schools. It carries no advertising. Scholastic programs its content around the school year, offering writing workshops and pages that complement classroom work in geography, history and culture.

On the other side of the content divide are the companies that market products to block inappropriate material.

The leading filter products are Microsystems Software Inc.'s CyberPatrol, Spyglass Inc.'s SurfWatch and Net Nanny Software Inc.'s NetNanny.

Internet address:
CyberScape@iht.com.

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CURRENCY RATES

Sept. 19

Cross Rates

	$	£	D.M.	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	Cs	Pesetа
Amsterdam	1.598	3.2125	1.126	0.3352	0.1154*	—	5.4585*	1.2697	1.4381*	1.4375	1.335*
Brussels	36.7025	59.1275	20.6375	6.143	2.1154*	18.338	—	25.885	0.3004	24.39	24.48*
Frankfurt	1.783	2.8612	—	0.2977	0.1025*	0.8881	4.8455*	1.2157	1.4453*	1.38	1.1858*
London (a)	1.6093	—	2.8504	9.5753	2.788.76	3.2094	58.8238	2.3454	196.8867	2.2357	240.25
Madrid	150.869	240.311	84.356	28.112	8.645*	74.915	4.8877	102.534	123.473*	107.94	—
Milan	1,738.28	2,792.85	975.48	290.48	—	866.33	47.299	1,186.20	14.306	1,248.60	11.576
New York (b)	—	1.615**	1.7753	5.9636	1,733.08	1.999	34.64	1.4625	122.25	1.3893	149.84
Paris	5.976	9.6095	3.3592	—	0.3443*	2.9833	0.1638	4.8831	4.9169*	4.2984	3.982*
Tokyo	122.40	196.86	68.85	20.58	8.786	61.15	3.337	83.63	—	88.81	0.8165
Toronto	1.3892	2.2287	0.782	0.2229	0.0883*	0.6949	0.379*	0.949	1.1267*	—	0.977*
Zurich	1.4572	2.3457	0.8227	0.2449	0.0843*	0.7284	3.9826**	—	1.1939*	1.0487	0.9748*
1 ECU	1.1063	0.6879	1.968	6.6708	1.920.30	2.216	40.6271	1.6391	134.45	1.538	144.921
1 SDR	1.3883	0.8475	2.4254	8.129	2,361.31	2.7269	49.9967	1.9959	166.361	1.8934	284.149

Closings in Amsterdam, London, Milan, Paris and Zurich. Ratings in other centers: New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	280.80	Mex. peso	7.749	S. Afr. rand	4.678
Australian $	1.3887	Hong Kong $	7.7413	N. Zealand $	1.5773	S. Kor. won	913.80
Austrian sch.	12.517	Hung. forint	194.26	Norw. krone	7.2134	Swed. krona	7.6129
Brazil real	1.0937	Indian rupee	36.345	Phil. peso	33.70	Taiwan $	28.60
Chinese yuan	8.3173	Indo. rupiah	2970.0	Polish zloty	3.42	Thai baht	35.55
Czech koruna	33.30	Irish £	0.6741	Port. escudo	180.75	Turkish lira	170520.
Danish krone	6.738	Israeli shek.	3.502	Russ. ruble	5857.9	UAE dirham	3.6725
Egypt. pound	3.3983	Kuw dinar	0.302	Saudi riyal	3.75	Venez. bolív.	495.75
Fin. markka	5.3062	Malay. ring.	3.0234	Sing. $	1.578		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6062	1.6039	1.6021	Japanese yen	121.02	120.44	119.99
Canadian dollar	1.3875	1.3849	1.3828	Swiss franc	1.4618	1.4602	1.4591
Deutsche mark	1.7755	1.7717	1.7686				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Seoul Won't Save Kia, Finance Minister Says

Bloomberg News

HONG KONG — Finance Minister Kang Kyong Shik said Sunday that South Korea would not intervene in the battle to save Kia Group, even as the crisis threatens to derail the country's economy.

Creditors of Kia, an automaker with $11 billion of debt it cannot repay, are scheduled to meet next Monday to decide whether to extend a two-month debt freeze.

Because Kia's fate is intertwined with thousands of subcontractors that could fail if the company collapses, Seoul is under pressure from banks and companies to keep it afloat.

"The government has nothing to do with this as Kia is a private company," Mr. Kang said in Hong Kong. The matter "will be decided in the market place."

Mr. Kang, who is also deputy prime minister, said Kia's management was continuing to refuse to resign, a key requirement of creditors, who want free rein to sell most of its businesses.

Mr. Kang dismissed speculation that Seoul favors a takeover by Samsung Group, South Korea's second-largest industrial conglomerate and a new entrant in the country's auto industry.

Separately, Mr. Kang said the Bank of Korea would not buy won to lift the currency from its record low against the dollar, leaving the market to determine the exchange rate. The dollar rose Friday to 913.80 won from 909.60 on Thursday.

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Bondholders Beware: The Next Debt Crisis Won't Be So Easy to Escape

By Carl Gewirtz
International Herald Tribune

PARIS — Lenders choose not to hear it, but the message keeps getting repeated nonetheless that a global credit bubble — with money available at terms not commensurate with the risk — is destined to end in tears for the lenders.

The Bank for International Settlements has regularly hammered at the mismatch between the cost of money and the risk to lenders, and last week the International Monetary Fund reiterated its warning that investors must expect to bear the consequences of their investment decisions and not to be bailed out by official lenders such as the IMF.

The worry is that bondholders have become reckless because such holdings have emerged unscathed in recent upheavals. Bondholders were untouched by the debt forgiveness forced on banks after the 1980s debt crisis in developing countries because bonds made up so small a part of total international lending that it was not deemed worth the trouble to try to reschedule payments.

Bondholders also emerged unscathed from the crisis in Mexico in early 1995 — an experience subsequently rued as giving investors a dangerous false signal. And now there is a crisis in Thailand that is still unfolding.

The message is urgent because the amount of debt outstanding in the form of bonds has exploded since the 1980s — more than doubling in the past 36 months alone — while bank lending has contracted, leaving bonds accounting for about one-third of total developing-country debt. That will make it too large a piece of the problem to escape the next debt crisis.

This was the message that Stanley Fischer, the IMF's deputy managing director, delivered in a speech in Hong Kong before this week's opening of the Fund's annual meeting.

"The hazard is that the private sector may be too willing to lend because it knows that a country in trouble will go to the Fund rather than default," he said Friday. Investors may already be too indiscriminate, he indicated, as interest rates on some bonds "are so low as to support this view."

He said investors would have to share in the financial costs of dealing with future crises. Bloomberg News quoted Mr. Fischer as having said after his speech that the IMF's goal regarding certain investors was to "find ways to make them pay" for bad decisions.

Even private analysts are now cautioning that the recent dramatic lowering of borrowing costs for risky credits — driven by private investors seeking to maximize income to offset the low yields on traditional, higher-quality bonds — has reached levels that warrant caution.

"We have reached an important milestone — emerging-market debt can no longer be considered unduly cheap relative to other asset classes," said Jose Luis Daza at J.P. Morgan, because "excessive" differences in yields between emerging-market bonds and benchmark paper have largely disappeared.

All of this, unfolding against a background of great uncertainty about how much lower benchmark yields can fall, has exposed a growing sense of risk aversion in the international market and explains why the latest emerging-market issues have been slow in selling, bankers said.

The Russian regional government of Novgorod issued $100 million of five-year notes to yield 280 basis points over U.S. government paper, while the privately owned Russian Credit Bank sold $200 million of three-year notes at a spread of 490 basis points.

This week, Kazakstan is scheduled to offer around $300 million of five-year notes that are expected to be priced at a spread of 250 basis points.

Amid the turn away from high-risk paper, underwriters reported heavy demand for the triple-A-rated asset-backed paper from Ford Motor Co. The issuing vehicle was Global Drive, a special-purpose company set up to issue internationally the company's asset-backed securities. Its first offering was 1 billion Deutsche marks of three-year floating-rate notes paying six basis points over the interbank offered rate.

Managers said the bulk of the issue had been sold, primarily in Germany, with substantial placement in Britain and the Benelux countries as well.

Rally Is Looking Like a Bandwagon

Bloomberg News

NEW YORK — The biggest bond rally since August 1996 is likely to continue as investors seek to keep pace with a market driven higher by better-than-expected news on inflation.

Investors and speculators rushed to buy bonds last week to avoid being left behind after a string of reports showing the U.S. economy growing with little inflation, analysts said.

"People were caught a little short going into the last set of numbers," Scott Grannis of Western Asset Management in Pasadena, California, said. "They were expecting stronger growth and a pickup in inflation, but we didn't see either."

The outlook for low inflation is likely to push bond prices still higher and yields lower as bond-fund managers who had been bearish are forced to buy securities with longer maturities or risk trailing their peers in performance rankings, some analysts said.

The yield on the 30-year Treasury bond has tumbled by more than a quarter of a percentage point since Sept. 11 as retail-sales data and the monthly consumer and producer price indexes eased concern that the Federal Reserve Board would raise interest rates soon.

The yield on the benchmark Treasury bond fell to 6.37 percent last week from 6.59 percent the week before, and analysts said rates could fall further if large holders of mortgage securities started moving into Treasury issues on concern that lower borrowing rates will prompt homeowners to refinance their loans. Mortgage bonds would be likely to decline in value more quickly than Treasury bonds because they would be considered more likely to be redeemed early.

Sales of mortgage bonds for Treasury issues have not amounted to much yet, but that could change quickly as the yield on 10-year Treasury notes, which

U.S. CREDIT MARKETS

serves as a benchmark in the mortgage market, moves closer to 6 percent, said Richard Schwartz, a bond-fund manager with New York Life Asset Management in Parsippany, New Jersey.

If the 10-year yield — currently at 6.08 percent — reaches 6.00 percent, the rush from mortgage to Treasury issues could trigger another significant drop in bond yields, Mr. Schwartz said.

Lower interest rates already are leading to an increase in refinancings by municipalities, which often buy Treasury securities to invest the proceeds of their bond refinancings if the older issues cannot be redeemed before a certain date. More than a dozen state and local issuers took advantage of last week's reduced borrowing rates to refinance older securities, and other transactions are in the works.

Investment bankers and fund managers said they expected a rush of new corporate bond sales as borrowing costs fell. "The potential calendar is there," said Curt Shambaugh, a corporate bond strategist at Credit Suisse First Boston. "Everyone's talking to every treasurer I know."

Driving all the activity is the U.S. inflation rate. While many analysts and investors worried that it would be accelerating by now, it has remained at its lowest level in more than a decade and shows no signs of picking up.

In the first eight months of the year, consumer prices rose at an annual rate of 1.6 percent, half the rise in the same period last year. Slow inflation is good news for bondholders because it means the bonds' fixed payments will hold more of their value.

Some analysts predicted that bond prices would continue to climb in the weeks ahead as investors grew more comfortable with yields near seven-week lows.

"People are terrified at these levels because it's been the point where the market's sold off in the past," Mr. Grannis of Western Asset said. But he said that this time around, yields could fall toward 6 percent because "the inflation fundamentals are so much improved."

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Sept. 19. Prices supplied by Telekurs.

Belgian Franc

Rnk Name	Cpn	Maturity	Price	Yield
214 Belgium	7	04/29/99	104.5300	6.7000
248 Belgium	7	05/15/06	109.8500	6.3700

British Pound

Rnk Name	Cpn	Maturity	Price	Yield
118 Fin.For Res	8.3690	09/30/50	143.5000	5.8300
167 Abbey National	6	08/10/99	97.8750	6.1300
168 Britain	7¼	12/07/07	104.5310	6.9400
170 World Bank	6.1000	03/17/00	97.8750	6.2300
246 Natwest	7⅞	09/09/15	102.7500	7.6600

Canadian Dollar

Rnk Name	Cpn	Maturity	Price	Yield
191 Canada	7¼	06/01/07	110.6000	6.5600

Danish Krone

Rnk Name	Cpn	Maturity	Price	Yield
6 Denmark	8	03/15/06	113.6200	7.0400
9 Denmark	7	11/15/07	106.8000	6.5500
17 Denmark	9	11/15/00	111.6800	8.0600
20 Denmark	8	11/15/01	110.40	7.2500
22 Denmark	6	12/10/99	102.8100	5.8400
32 Denmark	7	12/15/04	107.5100	6.5100
37 Denmark	7	11/10/24	103.5700	6.7600
50 Denmark	8	05/15/03	112.3700	7.1200
58 Denmark	9	11/15/98	105.1300	8.5600
59 Denmark	6	11/15/02	103.4800	5.8000
86 Denmark	6	02/15/99	102.3500	5.8600
90 Nykredit 3 Cs	6	10/01/26	92.4500	6.4900
95 Real Kredit	6	10/01/26	92.6300	6.4800
103 Denmark	7	02/15/98	101.1500	6.9200
151 Denmark	4	02/15/00	98.9300	4.0400
155 Nykredit	7	10/01/29	96.7500	7.2400
199 Denmark Tbills	zero	02/02/98	98.6288	3.7200
205 Deuts Fin Neth	zero	11/18/26	12.0250	7.5300
207 Realkredit Dan	7	10/01/29	97.1000	7.2100

Deutsche Mark

Rnk Name	Cpn	Maturity	Price	Yield
1 Germany	6	07/04/07	102.0402	5.8800
2 Germany	6	01/04/07	102.6500	5.8500
3 Germany	8	07/22/02	113.4200	7.0500
7 Treuhand	7¼	12/02/02	104.3453	7.0700
8 Germany	6½	04/26/06	105.3800	5.9300
10 Germany	6¾	05/12/05	109.4500	6.2600
11 Germany	4½	05/17/02	99.2260	4.5400
12 Bundesobligation	4½	02/22/02	99.4520	4.5200
13 Germany	8	07/21/02	112.5500	7.1100
14 Treuhand	7½	09/09/04	112.9600	6.6400
15 Germany	6½	07/04/27	103.9800	6.2500
16 Germany	3½	06/18/99	99.3900	3.5200
18 Treuhand	7⅜	10/01/02	112.4888	6.8700
19 Germany	3½	09/18/98	99.9600	3.5000
21 Germany 94	6¼	01/04/24	100.7217	6.2100
26 Germany	6½	10/14/05	107.1000	6.0700
27 Germany	3¾	03/19/99	99.8700	3.7500
29 Germany	5	05/21/01	101.7300	4.9100
30 Treuhand	7⅛	01/29/03	109.9700	6.4800
31 Germany	7⅜	01/03/05	112.40	6.5600
33 Germany	6	01/05/06	103.7667	5.7800
34 Germany	8¼	08/20/01	114.5700	7.6400
35 Germany	6	02/16/06	103.7600	5.7600
36 Germany	9	10/20/00	112.9100	7.9700
38 Germany	4¾	11/20/01	100.4100	4.7300
39 Germany	7¼	10/21/02	110.3800	6.5700
40 Germany	8¼	09/20/01	112.9333	7.3100
41 Germany	6½	03/15/00	105.2925	6.1700
42 Germany	8¾	12/20/00	113.0500	7.8500
43 Treuhand	6⅝	07/09/03	107.8000	6.1500
45 Germany	5¾	08/22/00	103.7100	5.5400
47 Germany	5	08/20/01	101.5100	4.9300
48 Germany	6¾	04/22/03	108.1271	6.2400
54 Treuhand	6¾	05/13/04	108.6375	6.2100
55 Treuhand	6½	04/23/03	107.1400	6.0700
56 Germany	5⅝	05/15/00	103.9633	5.6500
60 Germany	6⅞	05/20/99	103.5000	5.9200
61 Germany	6	09/15/03	105.0038	5.7100
62 Treuhand	6¼	07/01/99	104.0600	6.1300
65 Germany	9	01/22/01	113.6700	7.9200
66 Germany	5⅛	11/21/00	102.1000	5.0200
67 Germany	8½	02/20/01	110.4976	7.6900
70 Germany	6¾	09/15/99	105.1900	6.4200
71 Treuhand	5	12/17/98	101.5600	4.9200
72 Germany	7⅞	12/20/02	109.9725	6.4800
75 Germany	8¾	07/20/00	111.5200	7.8500
77 Germany	8½	08/21/00	111.0700	7.6500
78 Germany	3½	12/18/98	99.7300	3.5100
79 Germany	7½	11/11/04	113.1800	6.6300
80 Germany	6¾	07/15/04	108.7967	6.2000
82 Germany	8⅝	05/21/01	112.6400	7.4400
83 Treuhand	5⅝	09/24/98	101.9500	5.5200
84 Germany	5¼	02/21/01	102.3800	5.1300
85 Germany	6⅞	12/02/98	103.6200	6.6300
89 Treuhand	6	11/12/03	104.6900	5.7300
91 Treuhand	6⅞	06/11/03	108.9900	6.3100
94 Germany	6	06/20/16	99.6414	6.0200
98 Germany	6½	07/15/03	107.2600	6.0600
101 Germany	7	01/13/00	106.2200	6.5900
104 Germany	6½	01/02/99	103.3100	6.2900
113 Germany	5⅜	02/22/99	102.1300	5.2600
116 Treuhand	7	11/25/99	105.9484	6.6100
119 Treuhand	6¼	03/04/04	105.3031	5.9400
122 Germany	6⅜	05/20/98	101.5200	6.2500
125 Germany	5¼	02/25/98	100.7813	5.2100
130 Germany	5¼	10/20/98	101.6625	5.1600
132 Germany	5¾	08/20/98	101.9200	5.6400
133 Germany	7	12/22/97	100.9000	6.9400
134 Germany	6⅝	08/14/98	102.4300	6.2200
135 Treuhand	6⅛	03/26/98	101.3500	6.0400
138 OKB	5¾	09/12/07	100.7550	5.7100
139 Treuhand	6¼	07/29/99	104.0000	6.0100
147 Germany	6⅝	01/20/98	101.0300	6.5600
148 Germany SP	zero	01/04/24	18¼	6.5700
149 Germany	6¼	02/20/98	101.1300	6.1800
153 Germany	8¾	05/22/00	111.0300	7.8800
165 Germany Tbills	zero	01/16/98	95.9983	3.1100
176 LB Berlin FRN	zero	08/25/05	95.3321	0.0000
179 Cap Credit Card	5⅝	08/15/01	102.5672	5.4800
196 Germany	6¾	06/21/99	104.6500	6.4500
202 Treuhand	5¾	04/29/99	102.5333	5.5900
204 Treuhand	6⅛	06/25/98	101.9530	6.0100
209 Germany Pri	zero	07/04/27	14.9500	6.5800
211 Germany	6	04/20/98	101.4343	5.9200
218 Freis Bayern	6	10/30/06	102.8600	5.8300
223 Germany FRN	3.0460	09/30/04	99.2000	3.0700
225 Germany	7⅛	12/20/99	106.2900	6.7000
227 Norske BnkFRN	3.2991	09/15/00	99.7424	3.3000
229 Germany FRN	2.9500	04/06/00	99.7080	2.9600
232 Germany	7	09/20/99	105.6200	5.6300
237 Germany	6	02/20/98	101.0500	5.9400
244 Germany	5¾	05/28/99	102.9300	5.5900
245 Germany	6¼	01/20/98	100.9525	6.3100

Dutch Guilder

Rnk Name	Cpn	Maturity	Price	Yield
51 Netherlands	5¾	02/15/07	102.0000	5.6400
68 Netherlands	6¼	07/15/98	101.9500	6.1300
74 Netherlands	7	06/15/05	110.5500	6.3300
88 Netherlands	5¾	09/15/02	103.8500	5.5400
93 Netherlands	6¾	11/15/05	109.0000	6.1900
96 Netherlands	9	01/15/01	113.45	7.9300
100 Netherlands	7½	01/15/23	117.45	6.3900
110 Netherlands	9½	03/15/01	112.40	7.5600
117 Netherlands	6½	07/15/98	102.1500	6.3600
123 Netherlands	8¼	06/15/02	114.3500	7.2100
127 Netherlands	7½	04/15/99	105.6300	7.1000
140 Netherlands	7¾	01/15/00	107.5000	7.2100
141 Netherlands	6½	04/15/03	107.3500	6.0500
145 Netherlands	8½	06/01/06	121.1000	7.0200
146 Netherlands	8¼	02/15/02	113.70	7.2600
150 Netherlands	7	03/15/[illegible]	104.2000	6.7200
154 Netherlands	5¾	01/15/04	103.4500	5.5600
157 Netherlands	7	02/15/03	109.6500	6.3800
160 Netherlands	6½	02/15/99	103.5500	6.5100
164 Neth Tbills	zero	11/28/97	98.7613	6.5200
177 Netherlands	7½	04/15/10	116.1500	6.4600
178 Netherlands	7¾	03/01/05	115.0500	6.7400
183 Euro Mortgage	5⅞	09/17/47	105.4453	5.5700
187 Netherlands	8¼	02/15/00	108.6500	7.5800
188 Netherlands SP	zero	01/15/23	19¼	6.6100
193 Netherlands	6½	01/15/99	103.1500	6.3000
195 Netherlands	9	05/15/00	111.45	8.0800
198 Netherlands	6¾	10/01/98	102.8900	6.5600
200 Neth Tbills	zero	10/31/97	99.6526	3.0000
206 Netherlands	6	01/15/06	104.1000	5.7600
210 Netherlands	8¾	05/01/00	110.6500	7.9100
220 Merrill Lynch	zero	09/26/97	119½	0.0000
238 Netherlands	7	05/15/99	104.5600	6.6900

Finnish Markka

Rnk Name	Cpn	Maturity	Price	Yield
114 Finland Serial s	7¼	04/18/06	109.8204	6.6000
212 Finland sr 1999	11	01/15/99	108.7997	10.1100

French Franc

Rnk Name	Cpn	Maturity	Price	Yield
144 France BTAN	4¾	04/12/99	101.2700	4.6900

ECU

Rnk Name	Cpn	Maturity	Price	Yield
64 France OAT	5½	04/25/07	97.7000	5.6300
106 Britain T-bills	zero	12/11/97	99.0415	4.2200
108 France OAT	6	04/25/04	103.5500	5.7900
189 France BTAN	5	03/16/99	100.7400	4.9600
208 France B.T.A.N.	4½	07/12/02	97.7300	4.6000
224 France B.T.A.N.	6	03/16/01	103.8500	5.7800
235 France OAT	8½	04/25/22	123.5300	6.6800
239 France OAT	7½	04/25/05	112.1300	6.6900
250 France OAT	6¾	04/25/02	106.7600	6.3200

Irish Punt

Rnk Name	Cpn	Maturity	Price	Yield
241 Ireland	6½	10/18/04	102.6157	6.0900

Italian Lira

Rnk Name	Cpn	Maturity	Price	Yield
222 Italy	6¼	03/01/02	102.1300	6.1200

Japanese Yen

Rnk Name	Cpn	Maturity	Price	Yield
169 Spain	3.1000	09/20/06	104.4081	2.9700
172 World Bank	4½	03/20/03	115⅝	3.8900
233 NTT	2½	07/25/07	102.2500	2.4400

Spanish Peseta

Rnk Name	Cpn	Maturity	Price	Yield
124 Spain	7.9000	02/28/02	110.0980	7.1800
137 Spain	6¾	04/15/00	104.1430	6.4800
242 Spain Bonos	5¼	01/31/03	97.4950	5.3800

Swedish Krona

Rnk Name	Cpn	Maturity	Price	Yield
63 Sweden	11	01/21/99	107.7250	10.2100
180 Sweden 1037	8	08/15/07	113.5988	7.0400
185 Sweden 1036	10¼	05/05/00	111.7950	9.1700

U.S. Dollar

Rnk Name	Cpn	Maturity	Price	Yield
4 Argentina par L	5½	03/31/23	74.4034	7.3900
5 Brazil Cap S.L	4½	04/15/14	96.1366	4.6800
23 Argentina	11¾	01/30/17	116.5667	9.7600
24 Brazil	10⅛	05/15/27	98.9651	10.2300
25 Mexico	11½	05/15/26	120.5381	9.5400
28 Arg Br FRN	6¾	03/29/05	92.5691	7.2900
44 Brazil L FRN	6⅞	04/15/06	92.1294	7.4600
46 Venezuela par A	6¾	03/31/20	89.0631	7.5800
49 Venezuela FRN	6⅝	12/18/07	94.6830	7.1300
52 Mexico	6¼	12/31/19	82.7500	7.5500
53 Brazil FRN	6⅞	01/01/01	99.1250	6.8700
57 Brazil par ZI	5¼	04/15/24	73.3686	7.1600
69 Bulgaria FRN	6⅞	07/28/11	79.6250	8.4000
73 Ecuador par	3½	02/28/25	55.7500	6.2800
76 Brazil S.ZI FRN	6⅞	04/15/24	87.2188	7.8800
81 Mexico	6¼	12/31/19	82.7500	7.5500
87 Russian	10	06/26/07	105.2620	9.5000
92 Argentina FRN	6⅝	03/31/23	91.5625	7.5100
97 Brazil S.L FRN	6⅝	04/15/12	83.3100	8.3300
99 Bulgaria FRN	6⅞	07/28/24	79.8438	8.3800
102 Mexico	9⅞	01/15/07	107.3750	9.2000
105 Japan Highway	6¾	09/17/07	101.6250	6.6400
107 Panama FRN	4	07/17/16	88.2500	4.5300
109 Italy	6⅞	09/27/23	99.5000	6.9100
111 Venezuela par B	6¾	03/31/20	88.0005	7.6700
112 Ecuador FRN	3¼	02/28/15	73.5466	4.4200
115 Mexico B FRN	zero	12/31/19	97.9844	0.0000
120 Panama	3½	07/17/14	78.7500	4.7600
121 Mexico	11½	09/15/16	117½	9.6800
126 Ecuador FRN	6⅞	02/28/25	80.8750	8.2700
128 Mexico A FRN	6.8672	12/31/19	95.1875	7.2100
129 Korea Dev Bk	7¼	05/15/06	99.6149	7.2800
131 Brazil S.L FRN	6⅞	04/15/09	88.1300	7.8700
136 Venezuela FRN	6¾	03/31/20	94.0000	7.2500
142 Korea Dev Bk	7⅛	09/17/01	99.7000	7.1500
143 Peru Front	3¼	03/07/17	62.8125	5.1700
152 Vattenfall	zero	08/05/98	94.3771	6.7800
156 Toyota Motor	6¼	07/22/02	101.1750	6.1800
158 Argentina FRN	5⅝	04/01/01	116.3904	4.8300
159 Brazil Cband S.L	4½	04/15/14	95.9608	4.6900
161 Bco Com Ext.	7¼	02/02/04	94.5000	7.6700
162 Canada FRN	5½	02/10/99	99.8300	5.5100
163 Mexico D FRN	6⅞	12/28/19	95.4636	7.1400
166 Peru Pdi	4	03/07/17	67.5000	5.9300
171 Poland Inter	4	10/27/14	86.1563	4.6400
173 Chrysler Fin	6⅝	06/26/00	100.7500	6.5800
174 Bgb Fin Ireland	6¼	03/19/01	100.0000	6.2500
175 CADES	6½	03/11/02	100.8750	6.4400
181 Poland FRN	6⅞	10/27/24	97.8000	7.0900
182 Korea Dev Bk	7⅜	09/17/04	99.3500	7.4200
184 France Telecom	zero	12/05/97	98.7860	5.6600
186 Commerzbk	5.5938	01/29/01	99.6100	5.6200
190 Mydfa FRN	6⅞	09/09/07	86.7356	7.7100
192 Italy FRN	5.5938	05/12/02	99.9300	5.6000
194 Cocacola Amatil	6½	09/04/03	100.5000	6.4700
197 Bulgaria	2¼	07/28/12	62.7813	3.5800
201 NTT	6¾	05/16/02	102.2747	6.6000
203 Deut Ausgleichs	6⅜	09/16/02	100.3909	6.3500
213 Russia	9¼	11/27/01	102.3506	9.0400
215 Philippines Fix	8¾	10/07/16	100.0779	8.7400
216 Sigma Fin	6½	07/03/00	101.1250	6.4300
217 Ford Motor	6.5500	09/10/02	100.6250	6.5100
219 Argentina	8⅝	12/20/03	101.0076	8.2900
221 Panama	7⅞	02/13/02	100.5000	7.8400
226 Italy	9⅝	03/01/99	105.1250	9.1600
228 Argentina	11	10/09/06	114⅛	9.6400
230 Petroliam Nas	7⅛	10/18/06	99.3750	7.1700
231 Britain FRN	5.5313	10/04/01	99.9500	5.5300
234 Arg Bontes	8¾	05/09/02	102.0433	8.5700
236 Venezuela FRN	6¾	03/18/07	94.6900	7.1300
240 Pemex	9	06/01/07	100.0000	9.0000
243 Ontario	6	02/21/06	96.6250	6.2100
247 Brazil	6	09/15/13	80.8333	7.4200
249 Finland	7⅞	07/28/04	108.6250	7.2500

New International Bond Issues

Compiled by Charlotte Sector

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
CNCP/NKBK International Finance	$200	1999	⅛	99.995	—	Over 3-month Libor. Noncallable. Fees 0.125%. (Commerzbank.)
J.L.S. No. 1	$500	1999	0.16	99.96	—	Over 6-month Libor. Noncallable. Fees 0.10%. (Mitsubishi Intl.)
Kookmin Bank	$100	2002	⅜	100.00	—	Over 3-month Libor. Reoffered at 99.95. Redeemable at par from 1998. Fees 0.085%. (ABN-AMRO Hoare Govett.)
TCW Gem II	$226.1	2012	0.425	99.465	—	Over 6-month Libor. Callable at par in 1999. Also $64.6 million, paying variable interest and $60 million, paying 1¼ over Libor. Fees 0.40%. (Goldman Sachs Intl.)
Turquoise Funding	$250	1997	0.14	100.00	—	Over 1-month Libor. Noncallable. Fees 0.325%. (Goldman Sachs Intl.)
J.L.S. No. 2	£150	2000	0.18	99.94	—	Over 6-month Libor. Noncallable. Fees 0.15%. (Mitsubishi Intl.)
Global Drive	DM1,000	2000	0.06	100.00	—	Over 3-month Libor. Noncallable. Fees 0.1755%. Denominations 100,000 marks. (J.P. Morgan Securities.)
European Investment Bank	ITL500,000	2002	0.35	100.13	—	Under 3-month Libor. Reoffered at 99.95. Fees 0.25%. (BNP.)
World Bank	ITL300,000	2007	¼	101.675	—	Interest will be ¼ over 3-month Libor until 1998, when issue is callable at par, thereafter a fixed 6¼%. Fees 1⅞%. (Sanwa Intl.)
Sanwa Finance*	Y215,000	perpt.	0.70	100.00	—	Interest will be 0.70 over 6-month Libor until 2002, when issue is callable at par, 1.4 over until 2007, thereafter 2 over. Fees 0.30%. (Sanwa Intl.)
Fixed-Coupons						
Brazil National Development Bank	$250	2007	9	99.405	—	Noncallable. Fees not available. (Chase Manhattan.)
Depfa Bank Europe	$100	2002	5½	101.85	—	Interest will be 5½% until 1998, 6¼% until 1999, 7% until 2000, thereafter 8%. Noncallable. Fees 2%. (DG Bank.)
Hokuriku Electric	$300	2007	6⅝	99.821	99.70	Noncallable. Fees 0.35%. (Morgan Stanley.)
IBM Intl Finance	$250	2000	6¼	101.028	100.18	Reoffered at 99.853. Noncallable. Fes 1⅜%. (ABN-AMRO Hoare Govett.)
ITT Publimedia	$225	2007	9⅞	100.00	—	Semiannually. Callable at 104.69 in 2002. Fees 3%. (Goldman Sachs.)
KFW International Finance	$200	2001	6	101.092	99.65	Reoffered at 99.692. Noncallable. Fees 15/8%. (ABN-AMRO Hoare Govett.)
LB Baden Wuerttemberg	$110	2000	5.62	100.00	—	Noncallable. Fees 1%. (IBJ Intl.)
New Zealand	$200	2004	6¼	101.292	99.63	Reoffered at 99.717. Noncallable. Fees 17/8%. (Morgan Stanley Intl.)
Nizhny Novgorod	$100	2002	8¾	99.742	99.80	Semiannually. Noncallable. Fees 1%. Denominations $10,000. (ING Barings.)
Panama	$700	2027	8⅞	99.582	—	Noncallable. Fees 0.875%. (BancBoston Securities.)
People's Bank Credit Card Master Trust	$425	2004	0.12	100.00	—	Over 1-month Libor. Average life 4.89 years. Also $33.75 million paying 0.32 over Libor. Fees not available. (J.P. Morgan Securities.)
Russian Credit Bank	$200	2000	10¼	98.6715	—	Semiannually. Noncallable. Fees 1%. (Credit Agricole Indosuez.)
Suedwest LB Capital Markets	$200	1999	4½	98.24	97.40	Reoffered at 97.24. Noncallable. Fees 1⅛%. (Paine Webber Intl.)
Swedish Export Credit	$500	2000	6⅛	100.9275	100.00	Reoffered at 99.74. Noncallable. Fees 1⅜%. (Nomura Intl.)
Turkey	$600	2007	10	100.00	101⅜	Noncallable. Fees 1%. (Morgan Stanley Intl.)
Wuerth Finance International	$100	2004	6⅞	99.267	99.95	Noncallable. Fees 0.375%. (Deutsche Morgan Grenfell.)
General Electric Capital Corp.	£100	2002	7	101.015	—	Reoffered at 99.39. Noncallable. Fees 1⅜%. (Nikko Europe.)
Beta Finance	DM250	2003	5⅛	101.49	99.60	Reoffered at 99.64. Noncallable. Fees 2⅛%. (SBC Warburg.)
ITT Promedia	DM575	2007	9⅛	100.00	—	Callable at 104.562 in 2002. Fees 3%. (Goldman Sachs.)
Stadtsparkasse Koeln	DM1,000	2007	5¾	102.123	99.66	Reoffered at 99.473. Noncallable. Issue may be redenominated into euros after EMU. Fees 3%. (J.P. Morgan Securities.)
Stockholm	DM200	2001	4⅝	101¾	—	Noncallable. Fees 2.15%. (DGZ Bank.)
Chase Manhattan	FF1,200	2009	6⅛	99.564	—	Noncallable. Fees 0.40%. (Chase Manhattan.)
Depfa Bank	ITL150,000	2002	6	101.655	99.90	Interest will be 6% until 1999, when issue is callable at par, thereafter 6¼%. Fees 1⅞%. (Credito Italiano.)
Ford Credit Canada	ITL200,000	2002	6	101.655	99.90	Noncallable. Fees 1⅞%. (Deutsche Morgan Grenfell.)
Generale Bank	DF250	2007	6	100.60	99.50	Noncallable. Fees 2%. (Generale Bank Nederland.)
ING Bank	DF750	2007	6	101.505	—	Reoffered at 99.93. Noncallable. Fees 2%. (ING Barings.)
Bayerische Landesbank	DK800	2002	5½	101.805	100.30	Noncallable. Fees 1⅞%. (Generale Bank.)
Federal National Mortgage Corp.	NZ$500	2000	7	99.88	99.88	Semiannually. Noncallable. Fees 0.15%. (Deutsche Morgan Grenfell.)
European Investment Bank	HK$1,000	2001	6.808	100.00	—	Quarterly. Noncallable. Fees 2⅛%. (HSBC Markets.)

The Week Ahead: World Economic Calendar, Sept. 22-26

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Hong Kong:** The World Bank and the International Monetary Fund's annual meeting. Through Tuesday. **Subic, Philippines:** Annual national conference of the Personnel Management Association of the Philippines. Wednesday through Friday.	**Bratislava, Slovakia:** Conference on "Investing in Slovakia." **Paris:** Organization for Economic Cooperation and Development meeting on banks and privatization. Monday and Tuesday. **Earnings expected:** Eurotunnel PLC, Groupe Bruxelles Lambert.	**Long Beach, California:** American Bankers Association's Bank Card Conference. Through Tuesday. **Montreal:** Conference on privacy, including workshop on "Privacy and media." Tuesday to Friday. **Pittsburgh:** AFL-CIO's biennial convention. Through Thursday.
Monday Sept. 22	**Taipei:** Export orders and industrial production index for August. **Tokyo:** Economic Planning Agency to issue diffusion index of economic conditions for July. **Wellington:** Total labor costs for April-June quarter.	**Copenhagen:** Consumer price index for August. **Paris:** France Telecom begins stock-sale presentation to investors, who can start reserving shares. **Prague:** Trade data for August.	**Mexico City:** Retail and wholesale sales data for July. **Ottawa:** Quarterly tourism indicators. **Washington:** Weekly report on planting progress for seven crops.
Tuesday Sept. 23	**Kuwait:** Emergency meeting of the Olympic council of Asia to review whether Thailand can play host to the 1998 Asian Games. **Taipei:** Jobless rate for August. **Wellington:** Hourly and weekly wages for March-May quarter.	**Helsinki:** Gross domestic product for second quarter. **Oslo:** Retail sales for August and current-account data for July. **Stockholm:** Riksbank to issue quarterly inflation report and set securities repurchase rate.	**Buenos Aires:** Industrial production data for August. **Mexico City:** Foreign-reserves levels. **Ottawa:** Leading index data; average weekly earnings for July.
Wednesday Sept. 24	**Manila:** General Motors Automobiles Philippines introduces the Opel brand in the Philippines. **Seoul:** Korea First Bank holds third round of bids to sell Woosung Construction, which is under court receivership.	**Lisbon:** Bank of Portugal to set benchmark rates. **Paris:** Cabinet to decide 1998 budget; data on household consumption of manufactured goods for July and August.	**Buenos Aires:** Supermarket sales for August. **Mexico City:** Inflation rate for the first two weeks of September. **Ottawa:** International securities transactions data for July. **Earnings expected:** Corel.
Thursday Sept. 25	**Sydney:** Business expectations survey data for December 1997 and September 1998 and job vacancies and overtime data for August. **Taipei:** Money supply and foreign reserves for August.	**Copenhagen:** Consumer price index for August. **Helsinki:** Jobless data for August. **Madrid:** Jobless data for July. **Oslo:** Jobless data for September. **Paris:** Consumer price index for August.	**Mexico City:** Manufacturing output for July. **Washington:** Durable-goods orders for August; initial weekly state unemployment compensation insurance claims. **Earnings expected:** Cognos.
Friday Sept. 26	**Tokyo:** Crude-oil imports for August; Management and Coordination Agency to issue Tokyo consumer price index for September. **Wellington:** Gross domestic product for April-June quarter.	**Paris:** Trade data for July. **Earnings expected:** Baloise Insurance.	**Ann Arbor, Michigan:** University of Michigan to issue its index of consumer sentiment for September. **Washington:** Final estimate of economic growth for the second quarter. **Earnings expected:** Banco do Brasil.

Last Week's Markets

Stock Indexes

	Sept. 19	Sept. 12	% Ch'ge
United States			
DJ Indus.	7,917.27	7,742.97	+2.25
DJ Util.	241.27	239.60	+0.70
DJ Trans.	3,208.80	3,038.98	+5.59
S&P 100	916.46	984.94	+2.40
S&P 500	950.50	923.91	+2.88
S&P Ind	1,111.92	1,083.71	+2.60
NYSE Cp	496.56	483.30	+2.74
Nasdaq Cp	1,680.37	1,649.34	+1.88
Japan			
Nikkei 225	18,058.71	17,965.80	+0.51
Britain			
FTSE 100	5,023.80	4,848.20	+3.62
Canada			
TSE Indus.	6,982.70	6,759.70	+3.30
France			
CAC 40	2,977.18	2,834.07	+5.05
Germany			
DAX	4,032.97	3,854.81	+4.62
Hong Kong			
Hang Seng	14,384.13	14,470.46	−0.60
World			
MSCIP	949.15	923.36	+2.79

World index from Morgan Stanley Capital Intl Perspective.

Money Rates

	Sept. 19	Sept. 12
United States		
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds rate	5⅝	5½
Japan		
Discount	0.50	0.50
Call money	0.44	0.38
3-month interbank	0.54	0.52
Britain		
Bank base rate	7.00	7.00
Call money	7.00	6 15/16
3-month interbank	7 3/16	7 3/16
France		
Intervention rate	3.10	3.10
Call money	3 1/16	3 5/16
3-month interbank	3 5/16	3 5/16
Germany		
Lombard	4.50	4.50
Call money	3.22	3.20
3-month interbank	3.31	3.31

Gold	Sept. 19	Sept. 12	% Ch'ge
London p.m. fix $	323.00	321.65	+0.42

Euromarts

Eurobond Yields

	Sept. 19	Sept. 12	Yr high	Yr low
U.S. $, long term	6.50	6.58	7.09	6.48
U.S. $, mdm term	6.24	6.29	6.84	6.09
U.S. $, short term	6.04	6.04	6.51	5.96
Pounds sterling	7.19	7.13	7.75	7.09
French francs	4.92	4.96	5.05	4.66
Italian lire	5.96	6.10	7.79	5.96
Danish kroner	5.58	5.64	5.93	5.26
Swedish kronor	5.35	5.34	5.61	4.82
ECUs, long term	5.96	6.02	6.42	5.76
ECUs, mdm term	5.26	5.37	5.53	4.76
Can. $	5.53	5.56	6.51	5.53
Aus. $	5.99	5.98	7.86	5.95
N.Z. $	7.10	7.37	8.39	6.96
Yen	1.49	1.56	2.15	1.49

Source: Luxembourg stock exchange.

Weekly Sales

Sept. 18

Primary Market

	Cedel Bk $	Cedel Bk NonS	Euroclear $	Euroclear NonS
Straights	49.4	436.5	500.0	1,787.8
Convert.	1.0	28.8	—	82.9
FRNs	349.7	767.8	1,386.6	535.3
ECP	12,019.2	7,956.9	10,757.7	9,983.5
Total	12,419.3	9,190.0	12,644.3	12,389.5

Secondary Market

	Cedel Bk $	Cedel Bk NonS	Euroclear $	Euroclear NonS
Straights	23,230.3	16,451.4	94,120.7	23,787.1
Convert.	646.6	436.1	2,684.7	1,385.1
FRNs	16,316.9	7,495.5	41,537.9	6,571.0
ECP	16,901.5	12,908.4	26,655.9	24,610.4
Total	57,095.3	37,291.4	164,999.2	56,353.6

Source: Euroclear, Cedel Bank.

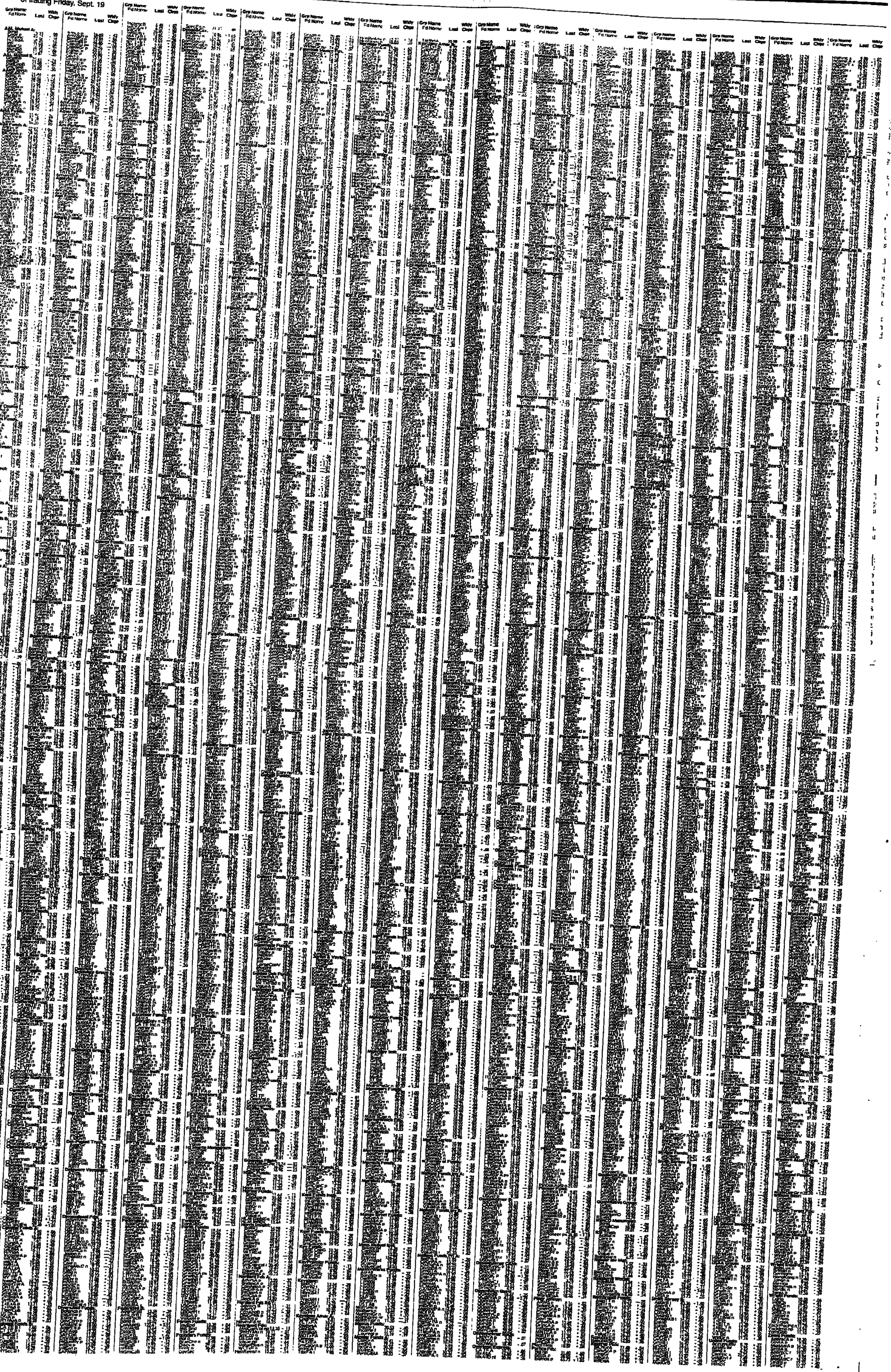
Libor Rates

	1-month	3-month	6-month
U.S. $	5 9/16	5⅝	5¾
Deutsche mark	3¼	3 5/16	3 7/16
Pound sterling	7⅛	7⅜	7 9/16
French franc	3 3/16	3 5/16	3⅜
ECU	4¼	4 5/16	4 7/16
Yen	½	½	½

Sources: Lloyds Bank, Reuters.

U.S. MUTUAL FUNDS

Figures as of close of trading Friday, Sept. 19



THE INTERMARKET

☎ +44 171 420 0348

RECRUITMENT

THE BODY SHOP

With over 1,500 shops in 47 markets around the world, The Body Shop is a skin and hair care company committed to animal and environmental protection and respect for human rights.

Marketing Communications Manager

To sustain the growth in and recognition of our brand worldwide we want to appoint a Marketing Communications Manager to develop, co-ordinate and manage a consumer communication programme internationally. This will involve creating cutting-edge, impactful in and out of store communications strategies aimed at increasing The Body Shop's brand and product awareness worldwide.

Our communication programmes are designed to meet our corporate, retail product and issues strategies across all 47 international markets, reflecting the diverse cultural needs of local populations.

The individual appointed, therefore, will be expected to brief and direct highly creative, memorable product and campaign promotions using our huge international store network as the central pivot.

You should have created and managed brand advertising and marketing strategies which have delivered real growth in brand recognition and customer loyalty internationally in dynamic cutting edge retail, fashion or fmcg markets, preferably at franchise level or agency.

In addition, you'll be required to provide expert advice on the interpretation of key product attributes and values to external, intermediary and franchise audiences, effectively acting as a marketing communications consultant.

Internally you'll need to be a persuasive, sensitive communicator to get the best out of design, market liaison and brand management teams. Eloquence in the communication of marketing communications principles across all audiences is crucial.

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Q&A / **J. Soedradjat Djiwandono**

A Banker Draws Lessons From Turmoil in Asia

Indonesia, the world's fourth most populous nation and one of the heavyweight economies of Southeast Asia, has been affected by the financial crisis that began with the currency turmoil in Thailand more than three months ago. J. Soedradjat Djiwandono, governor of Bank Indonesia, the central bank, talked in Hong Kong about the lessons of the crisis and his plans to beef up his country's banking supervision with Alan Friedman of the International Herald Tribune.

Q. Since Thailand faced its crisis in the summer, your own currency has also suffered along with those of neighboring nations, and investor confidence has been shattered. What are the lessons of the financial turmoil?

A. First of all, we realized that we are really living in the globalized economy. Before, we had only talked about it, but now it is here. When you accept the benefits of globalization, you take it for granted. Yet we only realized the risks of crisis when it happened. When you are hit by crisis it can be indiscriminate, and there is contagion.

Maybe we in the region have all been a little bit prodigal, living beyond our means. The other lesson from what has happened is that everyone can see that economic growth cannot be sustained unless the banking sector is also sound.

•

Q. Is it fair to put Indonesia in the same category with Thailand?

A. We are all Asian neighbors, and we want to follow a good-neighbor policy.

Q. All right, let's talk about a neighbor. Prime Minister Mahathir bin Mohamad has been attacking currency speculators as "rogues" and "criminals," and he has attacked George Soros in particular for the region's problems. Do you agree with the Malaysian prime minister's views?

A. I don't really know who was behind the speculation, but it doesn't matter who triggers it.

Once it happens, the players come from a variety of places, including local corporate groups that have high offshore-loan exposure and need foreign exchange to import and who sell the rupiah. There are also foreign speculators. We cannot say if the problems came from domestic or international sources.

Q. So you wouldn't describe currency speculators as criminals?

A. No.

Q. There has been much talk in Bangkok and here in Hong Kong about the idea of setting up a new ASEAN rescue fund in case of financial crises. Are you in favor of this idea?

A. This is in a preliminary stage of discussion, and in my view, surveillance would have to be part of it. You cannot just put money in without conditionality.

•

Q. Your country has been praised by investors for a more market-oriented response to the crisis than Thailand's. You removed limits on majority ownership of shares by foreign investors, and you have let your currency, the rupiah, float. But Indonesia is also criticized for having let its banking system grow much too fast. How do you react to the criticism?

A. It is true that we have so many banks, some 239 of them, which in terms of total numbers means Indonesia is overbanked. But our country is very big, and so when you look at the spread of our country, we are not overbanked.

Q. But what steps are you taking to improve the banking system?

A. We are making efforts on supervision. We are increasing the number of supervisory personnel. We are trying to follow the internationally accepted capital-adequacy ratios, and we want to increase it. If banks cannot meet this or reserve requirements, then they will have to be merged or acquired.

Q. What about problem loans? How big are they?

A. Our bad debts and nonperforming loans total 9 trillion rupiah, or around $3.3 billion, about 9 percent of total lending.

Q. But some banks have much bigger problems than 9 percent. What do you propose to do?

A. They will have to be merged, and if necessary in some cases we will have to liquidate some banks.

•

Q. And what are your aims in the coming weeks and months?

A. When the trouble started, we raised our one-month interest rates from 14 percent to as high as 30 percent. Now they are back to 24 percent, and we have plans to reduce rates further, toward a level of around 17 or 18 percent. We also have imposed some restrictions on foreign exchange trading, and we hope these measures will be only temporary.

Q. There have been reports that one of your deputies treated foreign banks such as the Bank of America and Deutsche Bank very harshly, asking Deutsche Bank to stop engaging in swap deals and telling Bank of America to stop making a market in currencies out of Jakarta. What is your comment?

A. I think this is bizarre reporting. The fact that we asked foreign banks to come in and meet with us is part of our practice. The rest is untrue.



John MacDougall/Agence France-Presse

Mr. Djiwandono said Southeast Asian countries may have been living beyond their means.

G-7 Officials' Statement Means a Weaker Yen, Analysts Say

By Carl Gewirtz
International Herald Tribune

PARIS — For foreign-exchange analysts, the big picture emerging from the weekend statement of the Group of Seven finance officials and central bankers meeting in Hong Kong is that the yen will continue to weaken. Where they disagree is identifying the currency against which the yen will fall.

"Everyone recognizes that the Japanese economy is weaker than expected," said Jesper Koll, a Tokyo-based analyst for J.P. Morgan & Co. He added that this meant no prospect of any increase in Japanese interest rates soon.

"As a result, it's back to basics," he said, with Japan's record low interest rates continuing to direct investors away from its currency.

In his view, the absence of any specific wording about further yen weakness in the G-7 officials' communiqué "is an endorsement to sell the currency." After the activity that traditionally precedes the end of the fiscal half-year in Japan on Sept. 30, Mr. Koll said, he anticipates an outflow of capital that will carry the dollar to 130 yen.

The dollar ended last week at 122.25 yen, its highest level since May, when it hit its high for this year of 127.50 yen.

But two London-based analysts, Mark Cliffe at HSBC Markets and Neil MacKinnon at Citibank, disagree with this view of how far the yen will slip against the dollar.

The communiqué's language on the need to avoid "excessive depreciation where this could lead to the re-emergence of large external imbalances" targets Japan and indicates, Mr. Cliffe said, that "the United States will resist a significant move in the yen-dollar exchange rate." Mr. MacKinnon added that Washington "has made clear that further slippage of the yen is not on." They said the dollar was unlikely to strengthen beyond 125 yen.

"A move beyond 125 will prove to be very demanding, and the United States won't countenance it," Mr. MacKinnon says.

Instead, they both see the yen weakening against the Deutsche mark. Over the past month, the mark has appreciated about 7 percent against the yen, compared with the dollar's 3 percent rise against the yen. With Germany unable to show as much political power to prevent a currency move as the United States can, the mark is viewed as more subject to continued appreciation than the dollar.

FOREIGN EXCHANGE

Mechanically, this makes life difficult for the dollar-mark rate. Given that the dollar market is the most liquid sector to operate in, buying marks with yen means first selling yen for dollars and then selling dollars for marks — putting downward pressure on the dollar against the mark.

The expected weakness of the dollar in Europe fits in with a broader picture of the dollar's two-year rally running out of steam.

Avinash Persaud, an analyst for J.P. Morgan in London, said the dollar was "at a turning point," with the next big move likely to be a fall to 1.60 DM by the end of next year. The dollar ended last week at 1.7753 DM.

The mark, Mr. MacKinnon says, is back in favor — buoyed by the running threat that the Bundesbank will raise interest rates, a move widely expected at the latest by early next year, and by a reassessment of the prospects for the euro, the common European currency scheduled to replace the mark Jan. 1, 1999.

[Finance Minister Theo Waigel of Germany, in a reference to the strong performance of the U.S. economy, said Sunday that countries with high growth rates and high employment may need to raise interest rates, Bloomberg News reported from Hong Kong.

[Mr. Waigel told the Interim Committee of the International Monetary Fund that preemptive increases in borrowing costs might be necessary to get growth back down to sustainable levels and avoid even higher rates later.]

For the time being, many analysts see the dollar staying between 1.75 DM and 1.85 DM. Mr. MacKinnon said a break below 1.76 DM would open the way for the dollar to slide to the high 1.60s, but he said he did not expect that to happen until the Bundesbank raised interest rates.

SHORT COVER

Paris to Set Price for Telecom

PARIS (Bloomberg) — The French government will set price range Monday for France Telecom SA shares as nation's biggest-ever initial public offering gets under wa

The sale of as much as 25 percent of France Telec expected to raise as much as 50 billion francs ($8.4 billion a key to helping France restrict its borrowing and qualify the single European currency, the euro.

Italy's Sale of Phone Shares Lags

ROME (Reuters) — The Treasury was involved in a r against time Sunday to persuade investors to buy into Telec Italia amid signs that interest in the sale was weaker than i been hoped.

The Treasury plans to sell its 44.7 percent stake in Telec by the end of next month in what could be the bigg privatization ever seen in Europe.

Companies have until Monday night to present their offe but with just over 24 hours to go until the deadline, Treasury had received confirmed bids for no more thar percent of the telecommunications giant.

Sony Revamping Output Strategy

HONG KONG (AFP) — Sony Corp. of Japan is revising investment strategy to move production sites closer to d mestic and Western markets at the expense of the rest of As Sony's president and chief operating officer said Sunday.

The executive, Nobuyki Idei, said at a conference here t digital technology had ended a 25-year "incubation" peri and was poised for a "period of explosion" and that a result, Sony had to review its worldwide production syste Because digital technology cuts production expenses, prod costs and product cycles, Mr. Idei said, control of invent costs was becoming more important than labor costs.

"For example, manufacturing in the U.S. is more a vantageous from the point of view of inventory control th manufacturing in Asia and exporting to America," he said

China Bank to Step Up Vigilance

HONG KONG (AFP) — China's central bank governo Dai Xianglong, said Sunday that the bank planned to step its supervisory role to increase the efficiency of state-co trolled banks and reduce nonperforming assets.

Mr. Dai, governor of the People's Bank of China, s inefficiency and "unduly high" levels of nonperformi assets were some of the problems facing the sector in Chir

"We will continue to pursue appropriately tight moneta policy and strengthen supervision" to combat such problem he said at a conference here on the sidelines of annual glob monetary talks. Mr. Dai also said that China had drawn lesso from the currency crisis in Southeast Asia and intended ensure the stability of its currency, but gave no details.

Yaohan Asks Suppliers to Keep Faith

SHIZUOKA, Japan (Bloomberg) — Yaohan Japan Cor at its first creditors meeting after it filed for bankruptcy, urg wholesalers to continue supplying the company's 42 domes shops and promised to repay any future debts in cash.

Until the court appoints a receiver, though, a Yaoh spokesman said the company would not comment on a plans for when and how it will pay its debts.

Kenya Tourist Trade Seeks Tax Hel

MOMBASA, Kenya (Reuters) — Hoteliers and tour o erators along Kenya's Indian Ocean coast want a six-mon moratorium on tax collections to offset losses from an outbre of violence that has cost more than 60 lives in recent week

"As a result of the recent violence at the coast, the touris industry has continued to experience massive cancellatio and is therefore unable to meet its tax obligations," a re olution issued Sunday after a meeting of industry leaders sai A statement from the meeting at a coastal hotel put losses fro cancellations of tourist bookings at $10 million a month.

Connecting to a User-Friendly Wall Street

Number-Crunching Software Gives Amateurs Access to a Sophisticated Investment Tool

By David Barboza
New York Times Service

NEW YORK — Maynard Burstein's computer terminal is full of fancy stock charts. He is plotting "moving averages" and "volatility measures" to help him ferret out buy and sell signals.

But Mr. Burstein — who calls this activity "reading the tea leaves" — is not a Wall Street professional. He is one of the amateur investors who use a growing variety of software and other products to perform the number-crunching discipline known as technical analysis.

"I used to be a pure fundamentalist, a Peter Lynch kind of guy," said Mr. Burstein, 66, a semiretired management consultant. "But now I'm using tools other than the balance sheet."

The fundamental analysis to which Mr. Burstein referred evaluates investments by looking at companies' profits, managers, industry prospects and the like. Technical analysis, by contrast, focuses on the prices and trading patterns of stocks rather than on the features of the companies themselves.

But the sophisticated products for technical analysis may have special appeal to a public that, given the long bull market, is fascinated with Wall Street. Besides meeting a growing need, these tools are even democratizing the investment world, at least according to their vendors.

"This is a revolution in terms of access," said Suzanne Cook, president of Stock Smart Inc., which markets such products. "Here you have the opportunity to deliver to a wide audience what was previously available only to brokerages and institutional investors."

Wall Street has not generally been known for broad distribution of data.

"Imagine 1,000 doctors with access to all the medical information in the world," said Ms. Cook, a former Merrill Lynch analyst. "Wall Street is not that different." But the average investor now can search through millions of bits of stock data — a capability that not many years ago was even beyond the reach of Wall Street.

Still, some critics argue that analytic software is too sophisticated for the average investor, that technical analysis requires a deep understanding of the market and is closely affiliated with market timing, or the active trading of stocks in the hope of making quick gains. That is a risky strategy that many financial advisers caution individual investors against.

INVESTING

Jay Kemp Smith, chairman of Leading Market Technologies, a company in Cambridge, Massachusetts, that markets software to big Wall Street houses, warns individual investors that they are up against Wall Street giants.

"The people using technical analysis are stuffed with Ph.D.s, and they're using sophisticated computers to do program trades," he said. "We don't think it's appropriate to arm some people with slingshots and send them into battle with people armed with laser-guided missiles." Fundamental analysis is better for average investors, he said.

But thousands of people are trying the new products, and many, like Mr. Burstein, use technical analysis not in isolation but as a supplement to their knowledge of company fundamentals.

"Many of these methods can improve your odds," said Allan McNichol, a spokesman for Equis International, which makes one of the products.

The new software runs the gamut from simple tools that include tutorials, helping users to understand terms such as "moving average," to academic tools with bewildering names such as the "Option Vega" and "Binary Wave No. 1."

Broadly, though, they all try to help investors plot the ups and downs of a stock and determine whether and when to buy or sell. Among the most accessible applications is Telescan Analyzer, a CD-ROM priced at $199 from Telescan Inc. The analyzer has a database of more than 8,000 stocks and offers annual reports, insider-trading information, options volume and a sophisticated search engine that identifies the best-performing stocks.

Robert Valgento, an anesthesiologist in Arizona, credits technical-analysis software for his investment returns of 110 percent in the past two years.

Still, he warns: "There's a large group of investors out there who want a better return. But if you want to use this stuff, you've got to be pretty bright and pretty dedicated."

European Currency Plan Barely Registers in Asia

International Herald Tribune

HONG KONG — An awareness is gradually spreading in Asian financial circles that it is not too soon to begin evaluating the implications for Asian central banks, investors and companies of Europe's planned single-currency project.

"The truth," said Andrew Freris, author of a new Bank of America Asia study entitled "EMU: An Asian Perspective," "is that there is monumental ignorance here about European monetary union."

When Asians think of Europe these days, Mr. Freris said, they tend to think of high unemployment and growth rates far more modest than those of either Asia or the United States.

Yves-Thibault de Silguy, the European commissioner for economic and monetary affairs, is trying to change that. In meetings with Asian officials at last week's meeting of European and Asian finance ministers and in sessions at the annual meetings of the World Bank and International Monetary Fund here, Mr. de Silguy has been doing his best to sell Asians on the virtues of the euro.

By his own admission, there is plenty of uncertainty here.

"They want to know if the euro will be a strong currency, whether the transition will be smooth or whether there will be a mess in the market and what are the advantages for Asians of the euro," Mr. De Silguy said.

Japan's finance minister, Hiroshi Mitsuzuka, said Sunday he hoped the euro would be a strong currency to "maintain stability with the yen and the dollar."

SINCLAIR ALL ASIA FUND
SICAV
69, Route d'Esch,
L-1470 LUXEMBOURG
R.C. Luxembourg : B-55.708

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of **SINCLAIR ALL ASIA FUND** will be held at the registered office, 69, route d'Esch, L-1470 Luxembourg, on October 1st, 1997 at 10:00 a.m. with the following agenda:

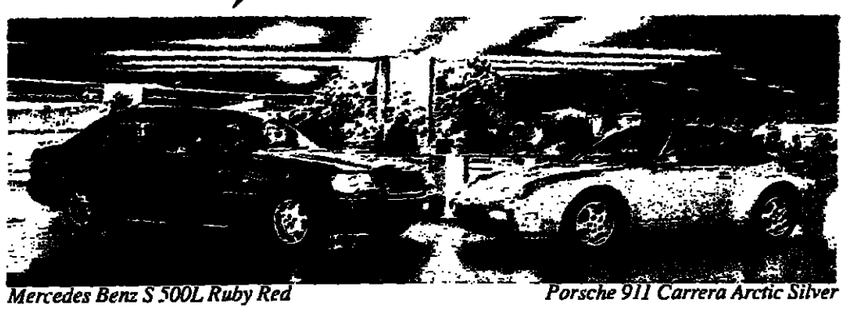
1. Submission of the Reports of the Board of Directors and of the Independent Auditor;
2. Approval of the Statement of Net Assets and of the Statement of Operations for the year ended as at June 30, 1997;
3. Allocation of the net results;
4. Discharge to the Directors;
5. Statutory Appointments;
6. Miscellaneous.

The Shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the Meeting with no restrictions.

In order to attend the Meeting of **SINCLAIR ALL ASIA FUND** the owners of bearer shares will have to deposit their shares five clear days before the Meeting with Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg.

THE BOARD OF DIRECTORS

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winner of a BMW 850 CiA.

For further information please call Dubai (9714) 244454 or Fax (9714) 244455

NASDAQ NATIONAL MARKET

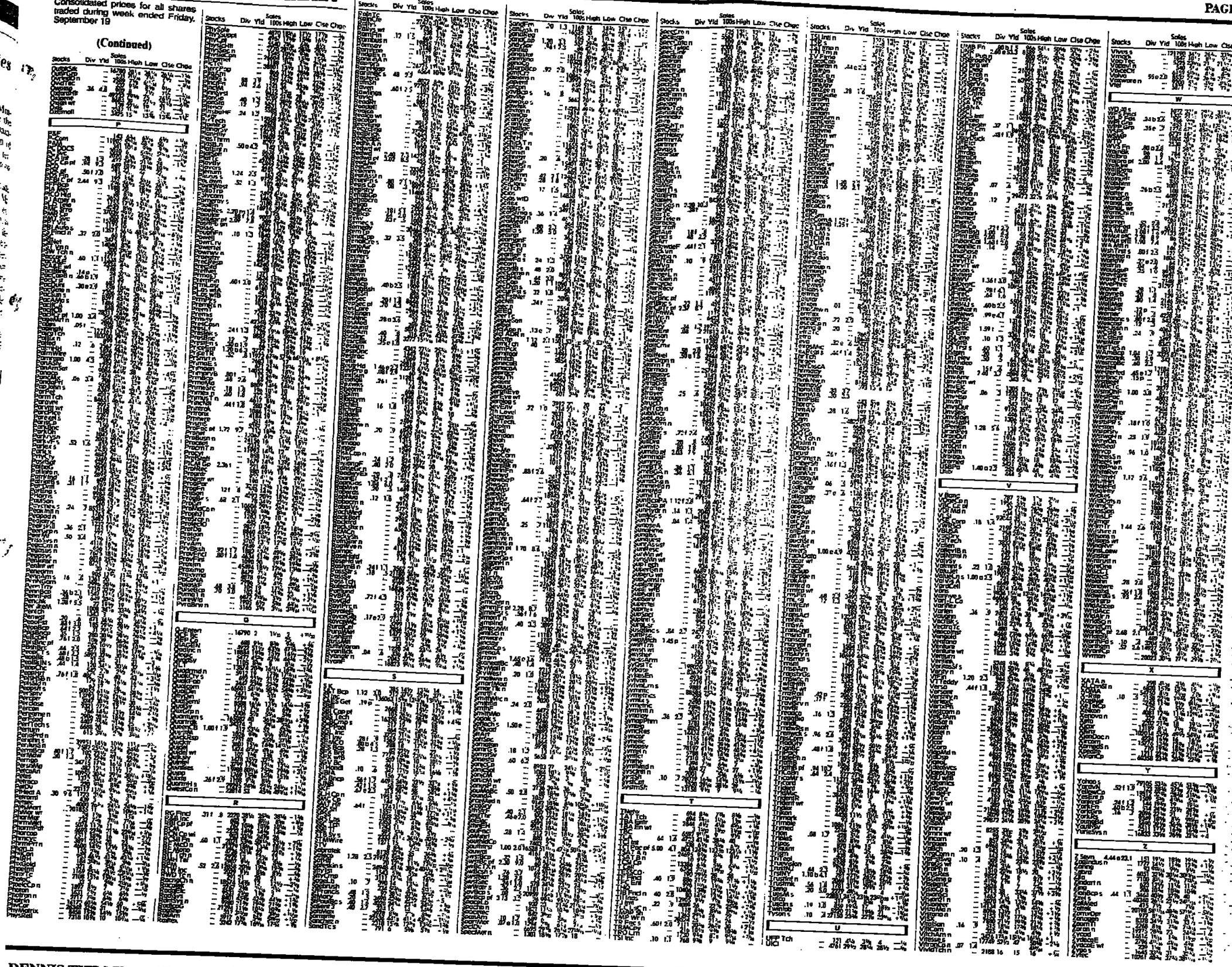
Additional prices for all issues traded during week ended Friday, 9:30 p.m. ET.

Stocks	Div	Yld %	PE	Sales 100s	High	Low	Close	Chge

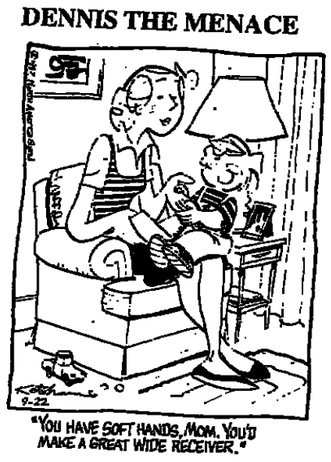
NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, September 19

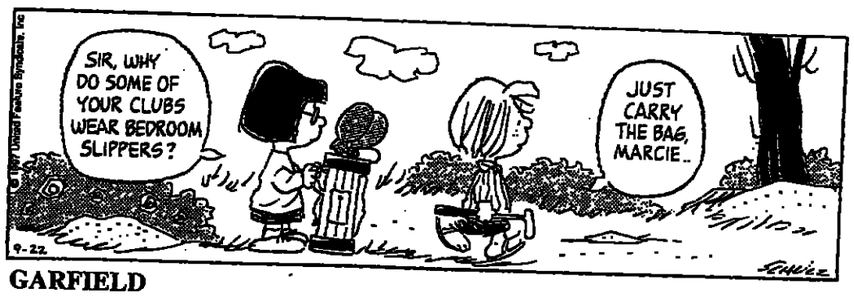
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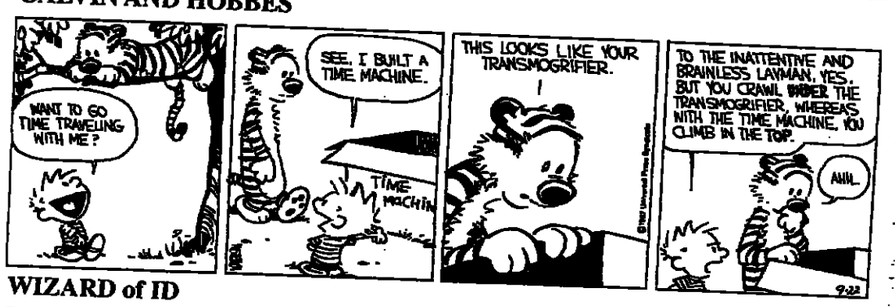
DENNIS THE MENACE



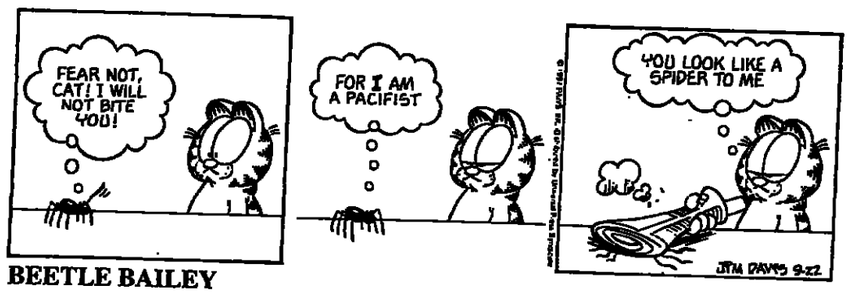
PEANUTS



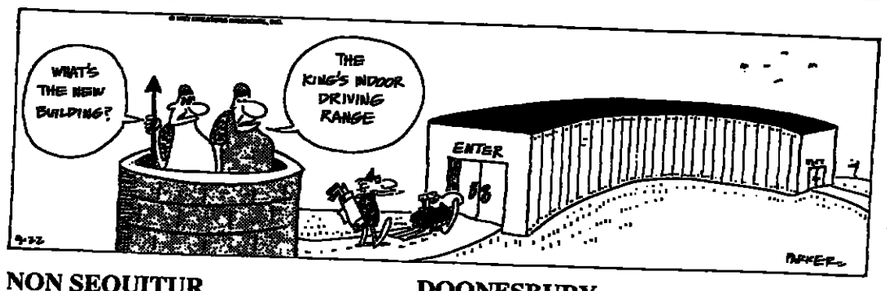
CALVIN AND HOBBES



GARFIELD



WIZARD of ID



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

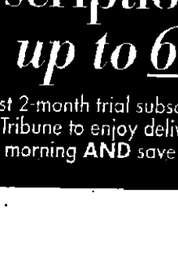
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

HOUGD

TYPAR

WETING

LORMAN



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

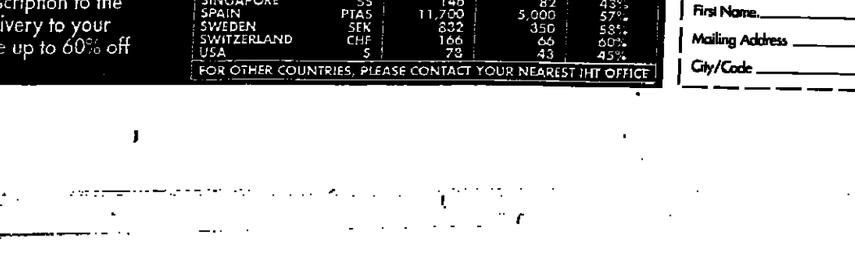
Print answer here: _____ TO _____

(Answers tomorrow)

Yesterday's Jumbles: BRASS HURRY SPLEEN POLITE

Answer: To get good at climbing you must — LEARN THE ROPES

BEETLE BAILEY



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GREAT BRITAIN	£	47	22	53%
HONG KONG	HK$	676	284	57%
ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	82	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
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Win or Lose, the Ryder Cup Can Reduce Grown Men to Tears

By Clifton Brown
New York Times Service

IT is the most pressure-packed event a golfer will face. It happens only once every two years. And it usually leaves both the winners and the losers in tears.

Nothing else in golf is quite like the Ryder Cup, which begins Friday at Valderrama Golf Club in Sotogrande, Spain. A 12-man team from the United States will compete against a 12-man European team in three days of match-play competition that will write another chapter in golf lore.

Imagine the possibilities depending upon the luck of the draw — Tiger Woods versus Nick Faldo, Justin Leonard versus Colin Montgomerie, Fred Couples versus Jose Maria Olazabal. For one weekend, the Ryder Cup brings world-class golfers together to compete as teammates representing their countries, rather than to compete as individuals for prize money. Play poorly, and you have let down yourself, your teammates, and your country. Miss a putt, and flag-waving fans rooting for the opposing team will cheer, something you never see in a regular tour event.

Being named to the Ryder Cup team is an honor, a chance to be a hero. But playing in the Ryder Cup can be terrifying, a chance to stumble in the spotlight.

"It's the most nervous you'll ever be in golf," said Paul Azinger, who has played in three Ryder Cups. "At a major, if you're in contention on the last day, it means you're playing well, which gives you confidence. But at the Ryder Cup, there's pressure from the first tee. Even if you're playing terrible golf, the spotlight's still on you. You can't hide."

Just as golf has mushroomed in popularity, so has the Ryder Cup, which is expected to draw record-setting television ratings this year, as Woods makes his Ryder Cup debut. The event has taken on a far more serious tone since 1985, when the United States lost for the first time in 28 years.

Since then, the Europeans have won three of the last five, including the 1995 Ryder Cup at Oak Hill Country Club in Rochester, New York, when Europe overcame a two-point deficit on the final day to win, 14½-13½.

That stunning victory by Europe has only generated more interest in this year's cup, which is being held in Spain for the first time. The last six Ryder Cups have been decided by two points or less, and the closeness of the competition has enhanced the anticipation for this year's showdown. If there is a tie, Europe will retain the cup as the defending champion. The United States must win outright to recapture the cup.

For Europe, the challenge is to knock off a confident U.S. team that looks stronger on paper, with three of this year's four major winners — Woods (Masters), Leonard (British Open), and Davis Love 3d (PGA Championship). For the United States, the challenge is to win on a difficult, unfamiliar course in front of a crowd pulling for Europe.

Here is a closer look at some of the key elements to watch for during the 32d Ryder Cup:

THE FORMAT The first two days feature four morning matches and four afternoon matches. The morning matches are four ball (two-man teams in better ball) and the afternoon matches are foursomes (two-man teams in alternate shot). Sunday's final round features 12 singles matches (18-hole match play).

The two captains, Tom Kite of the United States and Seve Ballesteros of Europe, make the pairings and decide when, and how often, players will compete. Some players will compete in five matches, while others may only play twice.

Both Kite and Ballesteros have difficult jobs. Whom should they pair together? How can they decide which players will sit without bruising egos?

Chemistry is important in all team events, and how Kite and Ballesteros handle their teams will go a long way toward deciding the outcome. Kite will ask each player privately if there is any potential partner he wants to avoid. Expect Ballesteros to do the same.

"I'm not going to stick a guy with someone he doesn't want to play with," said Kite. "That would be stupid. I got paired with Andy Bean at one Ryder Cup, and we were about as different as two players could be. You talk about a team that had no chance. Even if I hit a good drive, I didn't hit it far enough to make Andy happy. Then when Andy put it in the rough, I couldn't get it out. We got whipped. It was pathetic."

Look for some familiar pairings that have enjoyed past success, such as Love-Couples, Per-Ulrik Johansson-Bernhard Langer, Couples-Brad Faxon, Costantino Rocca-Ian Woosnam, Faldo-Langer.

With whom will Woods play? Kite could pair him with Scott Hoch, even though both are rookies, because Woods is the longest hitter and Hoch is one of the best players in the world from 100 yards in. Or O'Meara because of their close friendship. Or Janzen, another player whose accuracy around the greens might mesh well with Woods' game.

Meanwhile, look for Ballesteros to pair veterans like Montgomerie and Faldo with rookies like Darren Clarke or Lee Westwood. Pairing two rookies together would be risky, but wouldn't a Woods-Leonard twosome be fun to watch?

THE PRESSURE Every player will feel it, no matter how talented and experienced. The ones who cope best will prevail.

"I was paired with Davis Love at his first Ryder Cup," said Kite. "There was a long fog delay in the morning, which gave us all a chance to get even more nervous than we already were. By the time we teed off, Davis was a blithering idiot."

But Love played well, helping Kite win the match. Two days later, Love made a 6-foot putt to win the cup.

Others have not been as fortunate. Langer, who has enjoyed many stellar Ryder moments, missed a 6-foot putt on the final hole in 1991 at Kiawah Island that lost the cup for Europe.

THE ROOKIES Europe has five Ryder Cup rookies — Thomas Bjorn, Darren Clarke, Ignacio Garrido, Jesper Parnevik, and Westwood — the most since 1991. Europe will need strong play from its rookies, especially if veterans like Faldo and Olazabal are not at their best.

The United States has four — Jim Furyk, Scott Hoch, Justin Leonard, and Woods — one fewer than the '95 team. But having already won majors, Woods and Leonard are hardly typical rookies.

Woods' length off the tee and his dominance in amateur match play makes him a player who can intimidate some opponents before they even tee off. Does Woods see himself as an intimidator?

"I hope that's the case," said Woods. "But if that's not the case, I still have to go out there and prove myself, prove to the other players that I can beat them."

THE INTANGIBLES The furor surrounding Miguel Angel Martin, who was hurriedly ousted from Europe's team because of a wrist injury, could either be a rallying point or a distraction. Ballesteros showed in this incident that he would captain in the same strong-willed style in which he played.

Woods is the focal point of any event he attends, but in a team competition, it will be important that all 12 Americans feel as if they are a unit. The last two Ryder Cups have been won by the visitors, and the U.S. team looks solid on paper. What does Kite think about that?

"Ball that paper up and throw it in the trash," said Kite. "I wish it was going to be easy. It won't be. Nobody knows exactly what's going to happen. But that's part of what makes the Ryder Cup special. As a competitor, you have to love it."



Stefano Rellandini/Reuters

Gabriel Batistuta of Fiorentina flying to the ball during the match against Inter Milan on Sunday. Inter won 3-2.

Djorkaeff Rockets Inter to the Top

The Associated Press

Yuri Djorkaeff, the French striker, scored a controversial winner with nine minutes left Sunday and Inter Milan rallied past Fiorentina, 3-2, to seize first place in Serie A.

The spotlight was decidedly on Ronaldo, Inter's Brazilian, and Gabriel Batistuta, Fiorentina's Argentine, and each struck a goal on either side of halftime. Batistuta's league-leading sixth goal gave the visitors a 2-1 lead in the 47th minute. Ronaldo, who had scored in the 45th, helped set up midfielder Francesco Morieri's equalizer in the 72d, before Djorkaeff decided the high-paced match after beating an offside trap on Salvatore Fresi's pass.

Inter has sole possession of first place after three rounds for the first time in 26 years. With a full nine points, the club owns a two-point standings lead over defending champion Juventus of Turin, AC Parma, AS Roma and Sampdoria of Genoa — all easily victorious Sunday.

Building on its impressive Champions League debut, a 5-1 win over Feyenoord Rotterdam on Wednesday, Juventus made Brescia look like the promoted team it is in a 4-0 rout, as dangerous front-line players Alessandro Del Piero, Filippo Inzaghi and the French playmaker Zinedine Zidane each scored.

Juventus is the only club in the Italian first or second division that has not allowed a goal in league play.

The Argentine international Hernan Crespo scored twice to lead Parma past

EUROPEAN SOCCER

Piacenza, 3-1, Roma beat last-place Lecce, 3-1, and Sampdoria defeated Atalanta of Bergamo, 2-0.

In the day's lone upset, Empoli beat Lazio of Rome, 1-0. Vicenza and Napoli drew, 1-1, and Bari and Bologna played a scoreless draw.

ENGLAND Arsenal moved into second place in England's Premier League on Sunday with a 3-2 victory over Chelsea as the defender Nigel Winterburn scored in the 89th minute and the Dutch forward Dennis Bergkamp provided the other two.

The victory gave Arsenal 15 points and moved the Gunners second behind Manchester United, which has 17. Blackburn and Leicester each have 14, followed by Chelsea with 12.

NETHERLANDS Ajax Amsterdam's sixth straight victory of the season, 4-1 against NEC Nijmegen on Sunday, kept it four points ahead in the Dutch premier league.

It was Ajax's 28th goal in six games, against just three conceded. SC Heerenveen, who beat Roda JC, 2-0, and FC Twente, who downed MVV Maastricht, 1-0, share second place on 14 points after victories Sunday. RKC Waalwijk defeated FC Utrecht, 3-1.

GERMANY Two goals by Fredi Bobic within two minutes paced Stuttgart to a 3-0 victory over Borussia Moenchengladbach in a Bundesliga game. The Bulgarian midfielder Krasimir Balakov notched Stuttgart's third goal three minutes into the second half.

The victory vaulted Stuttgart into fifth place. Newly promoted Kaiserslautern remains the surprise leader with 19 points, three more than Bayern Munich.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
y-Baltimore	94	60	.610	—
y-New York	89	65	.578	5
Detroit	76	78	.494	18
Boston	75	80	.484	19½
Toronto	72	82	.468	22
CENTRAL DIVISION				
Cleveland	83	70	.542	—
Chicago	77	77	.500	6½
Milwaukee	75	77	.493	7½
Kansas City	63	90	.412	20
Minnesota	62	91	.405	21
WEST DIVISION				
Seattle	86	69	.555	—
Anaheim	81	74	.523	5
Texas	72	83	.465	14
Oakland	63	92	.406	23

y-clinched postseason berth

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
y-Atlanta	97	57	.630	—
Florida	90	64	.584	7
New York	83	72	.535	14½
Montreal	75	79	.487	22
Philadelphia	64	91	.413	33½
CENTRAL DIVISION				
Houston	78	76	.506	—
Pittsburgh	75	80	.484	3½
Cincinnati	71	83	.461	7
St. Louis	71	83	.461	7
Chicago	65	90	.419	13½
WEST DIVISION				
San Francisco	85	70	.548	—
Los Angeles	84	71	.542	1
Colorado	80	75	.516	5
San Diego	74	81	.477	11

y-clinched postseason berth

FRIDAY'S LINESCORES

AMERICAN LEAGUE

Cleveland 010 000 020—3 9 2
Kansas City 021 130 03x—10 12 0

Colon, Jacome (4), Morman (8) and S. Alomar, Diaz (6); Belcher, Pichardo (9) and Macfarlane. W—Belcher 13-12. L—Colon 3-7. HR—Cleveland, Justice (31).

Second Game

Cleveland 000 310 110—6 16 0
Kansas City 000 000 002—2 8 0

Br.Anderson, Plunk (6), Shuey (8), Assenmacher (9) and Borders; Bones, Carrasco (6), Whisenant (7), Service (8), J.Montgomery (9) and Mi.Sweeney. W—Br.Anderson 4-1. L—Bones 3-7. Sv—Assenmacher (4). HR—Cleveland, Roberts (3).

Chicago 000 000 004 1—5 9 0
Boston 100 000 003 0—4 12 1

Sirotka, Foulke (9), T.Castillo (10) and Machado, Fabregas (8); B.Henry, Gordon (8), D.Lowe (9), Brandenburg (10), Wasdin (10) and Haselman, Hatteberg (10). W—Foulke 3-0. L—D. Lowe 2-6. Sv—T. Castillo (3). HRs—Chicago, Belle (29). Boston, Pride (3), Hatteberg (10).

Milwaukee 013 201 000—7 11 0
Minnesota 010 011 001—4 7 0

J.Mercedes, A. Reyes (8), Do.Jones (9) and Stinnett; Serafini, Fr.Rodriguez (4), Aguilera (9) and D. Miller. W—J. Mercedes 7-10. L—Serafini 2-1. Sv—Do.Jones (34). HRs—Minnesota, Lawton 2 (13).

Toronto 000 000 120—3 6 1
New York 000 000 000—0 8 0

Daal, Crabtree (7), Plesac (7), Quantrill (8), Escobar (9) and B.Santiago; Gooden, Nelson (8), Boehringer (9) and Posada. W—Daal 1-0. L—Gooden 8-5. Sv—Escobar (13). HR—Toronto, B. Santiago (13).

Detroit 000 002 100 2—5 10 0
Baltimore 000 000 003 0—3 7 0

Blair, To.Jones (9) and Casanova; Kamieniecki, Rhodes (7), Mills (9), Orosco (10) and Webster. W—To.Jones 5-3. L—Mills 2-3. HR—Detroit, Nevin (9).

Anaheim 000 011 221—7 16 2
Texas 100 000 000—1 2 0

K.Hill and Kreuter; Witt, Gonderson (7), Santana (8) and I.Rodriguez. W—K. Hill 8-12. L—Witt 11-12. HRs—Anaheim, Edmonds (24), Howell (13).

Seattle 400 000 113—9 12 1
Oakland 002 000 002—4 9 0

Moyer, Spoljaric (8), B.Wells (9) and Da.Wilson; Haynes, A. Small (8), Wengert (9) and Mayne. W—Moyer 17-4. L—Haynes 3-6. HRs—Seattle, R. Kelly (11), Griffey Jr (53), E. Martinez (27), Buhner (37). Oak., Mayne (6).

NATIONAL LEAGUE

Philadelphia 112 123—10 13 0
Chicago 101 21X—5 9 1

T.Green, Winston (4), Spradlin (5) and Estalella; M.Clark, D.Stevens (5), R. Tatis (5), Bottenfield (6) and Servais. W—Winston 2-0. L—M. Clark 13-8. Sv—Spradlin (1). HRs—Philadelphia, Rolen (19), Brogna (20). Chicago, B.Brown (5), Ma.Grace (12), Sosa (36), Sandberg (12).

Montreal 000 000 001—1 5 2
Atlanta 002 000 00x—2 3 1

C.Perez, Bennett (8) and Fletcher; Smoltz and J. Lopez. W—Smoltz 15-12. L—C. Perez 12-12. HR—Montreal, Vidro (2).

Houston 000 002 110—4 8 1
Cincinnati 200 030 00x—5 12 0

Holt, T. Martin (7), Hudek (7), Magnante (7) and Ausmus; Burba, G.White (7), Belinda (7), Shaw (9) and J. Oliver, Fordyce (9). W—Burba 10-10. L—Holt 8-11. Sv—Shaw (40). HRs—Houston, DeBell (15), L.Gonzalez (10). Cincinnati, Nunnally (10).

New York 000 000 002—2 5 2
Florida 010 002 02x—5 6 1

Micki, Lidle (8) and Pratt; A.Leiter, Nen (9) and C. Johnson. W—A. Leiter 10-9. L—Micki 8-12. HRs—Florida, Conine (16), Alou (23).

St. Louis 200 102 000 01—6 13 0
Pittsburgh 010 220 000 00—5 12 0

Aybar, Petkovsek (6), Fossas (7), Frascatore (7), C.King (10), Eckersley (11) and Marrero; Cooke, Sodowsky (6), Christiansen (6), M.Wilkins (7), Wallace (9), Rincon (9), Loiselle (11) and Kendall. W—C. King 4-1. L—Loiselle 1-5. Sv—Eckersley (36). HRs—St. Louis, McGwire (20), Lankford (31), Marrero (2). Pittsburgh, Ward 2 (6), A.Martin (13), Randa (7).

Colorado 000 011 211—6 7 3
Los Angeles 101 010 010—4 11 1

Astacio, Leskanic (7), DeJean (8), Dipoto (8) and Je.Reed; Nomo, Dreifort (8), Gorecki (9) and Piazza. W—Astacio 12-9. L—Nomo 13-12. Sv—Dipoto (15). HRs—Colorado, Burks (30), Je.Reed 2 (16).

San Francisco 000 005 020—7 12 0
San Diego 000 002 020—4 13 1

D.Darwin, Tavarez (6), R.Rodriguez (7), D. Henry (8), R. Hernandez (8) and B. Johnson; J.Hamilton, Bruske (6), Bochtler (8), Erdos (8) and Flaherty, C. Hernandez (8). W—D. Darwin 1-2. L—J. Hamilton 10-7. Sv—R. Hernandez (4). HRs—San Francisco, D.Hamilton (5), Bonds (36).

SATURDAY'S LINESCORES

AMERICAN LEAGUE

Detroit 002 020 012—8 15 0
Baltimore 090 120 00x—12 14 0

S.Sanders, Jarvis (2), Duran (5), Gaillard (6), M. Myers (8) and Walbeck; Krivda, N.Rodriguez (5), Te.Mathews (8) and Hoiles, C.Greene (9). W—N. Rodriguez, 1-1. L—S. Sanders, 6-13. HRs—Detroit, Nieves (20). Baltimore, R.Alomar (12), Surhoff (18), Hoiles (12), Bordick (7).

Toronto 021 000 000 00—3 10 0
New York 010 001 100 01—4 10 1

Carpenter, Plesac (7), Quantrill (8), Risley (9), Janzen (11) and B. Santiago, O'Brien (11); Cone, Irabu (6), Stanton (7), Nelson (8), M. Rivera (9), Banks (10) and Girardi. W—Banks, 3-0. L—Janzen, 1-1.

Seattle 102 000 000 000 000—3 10 0
Oakland020 100 000 000 001—4 11 1

Olivares, Spoljaric (4), Carmona (6), Charlton (7), Timlin (8), Ayala (9), Holzemer (11), Slocumb (12), Lira (14) and Marzano, Da.Wilson (9); Oquist, Mohler (6), Witasick (6), Groom (7), Taylor (7), T. J.Mathews (8), C.Reyes (11), Kubinski (14), A.Small (14) and Mayne, Molina (9). W—A. Small 8-5. L—Lira 5-10. HRs—Seattle, Ducey (5), E. Martinez (28). Oakland, Giambi 2 (19), Molina (2).

Chicago 000 000 330—6 12 1
Boston 100 000 300—4 13 1

Navarro, McElroy (7), Foulke (9), T. Castillo (9) and Fabregas, Karkovice (8); Saberhagen, Checo (6), Mahay (7), Hudson (7), Avery (7), Brandenburg (8), Wasdin (9) and Hatteberg. W—McElroy 1-3. L—Avery 6-7. Sv—T. Castillo (4).

Cleveland 000 020 000—2 10 0
Kansas City 000 000 23x—5 6 0

Juden, A. Lopez (8) and S.Alomar; Rusch, Olson (8), J.Montgomery (9) and Mi.Sweeney, Macfarlane (9). W—Olson 4-3. L—A. Lopez 3-6. Sv—J. Montgomery (14). HRs—Cleveland, Roberts (4). Kansas City, J.King (24).

Milwaukee 000 001 000—1 2 1
Minnesota 100 100 22x—6 12 0

Eldred, Fetters (7), Florie (8) and Levis; Hawkins, Trombley (7), Swindell (8) and D.Miller. W—Hawkins 6-11. L—Eldred 13-14. Sv—Swindell (1). HR—Minnesota, Meares (10).

Anaheim 001 010 410—7 10 0
Texas 000 301 002—6 12 1

D.Springer, James (7), Holtz (8), Percival (9) and Kreuter; Helling, Whiteside (7), W.Heredia (8), Te.Clark (8) and I.Rodriguez. W—D. Springer 9-9. L—Helling 2-3. Sv—Percival (26). HRs—Anaheim, Phillips (8). Texas, Ju.Gonzalez (39).

NATIONAL LEAGUE

Houston 000 211 000—4 10 1
Cincinnati 000 001 000—1 5 0

Hampton, R. Springer (9), B.Wagner (9) and Ausmus; Tomko, Fe.Rodriguez (7), Winchester (9) and J. Oliver. W—Hampton, 14-10. L—Tomko, 11-7. Sv—B.Wagner (20). HR—Houston, Bagwell (42).

New York 400 020 100—7 10 1
Florida 020 000 100—3 6 0

Bohanon, Lidle (7), McMichael (8) and Pratt; A.Fernandez, Alfonseca (6), K. Miller (8), F. Heredia (9) and C.Johnson, Zaun (8). W—Bohanon, 6-4. L—A. Fernandez, 17-12. HRs—New York, Everett (14), McRae (11).

Philadelphia 000 000 003—3 6 0
Chicago 000 020 000—2 6 2

Beech, Gomes (8), Bottalico (9) and Lieberthal; Je.Gonzalez, T.Adams (9), Patterson (9) and M. Hubbard. W—Gomes, 4-1. L—T. Adams, 2-9. Sv—Bottalico (32).

San Francisco 000 100 010—2 8 1
San Diego 420 240 00x—12 12 1

Estes, Rapp (2), Poole (5), Johnstone (7), C. Bailey (8) and Berryhill; P.Smith, Kroon (8), Bergman (9) and C.Hernandez, Romero (8). W—P. Smith, 7-5. L—Estes, 18-5. HR—San Diego, G. Vaughn (17).

Colorado 001 000 010—2 6 2
Los Angeles 000 100 000—1 9 1

Jm.Wright, Leskanic (8), Dipoto (9) and Je.Reed; I.Valdes, Osuna (8) and Piazza. W—Jm.Wright, 8-11. L—Osuna, 3-4. Sv—Dipoto (16).

Montreal 000 001 000—1 2 1
Atlanta 010 011 00x—3 6 0

P.J.Martinez and Fletcher; Glavine and J. Lopez. W—Glavine 14-7. L—P. J.Martinez 17-8. HR—Atlanta, J. Lopez (23).

St. Louis 001 000 000—1 6 2
Pittsburgh 210 110 05x—10 12 1

Beltran, Raggio (5), Painter (7), Bautista (8) Gaetti (8) and Difelice, Marrero (5); Loaiza and Kendall. W—Loaiza 11-10. L—Beltran 1-2. HR—Pittsburgh, Kendall (8).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	76	46	2	.623	—
Yokohama	66	55	—	.545	9.5
Hiroshima	61	60	—	.504	14.5
Yomiuri	57	68	—	.456	20.5
Hanshin	54	69	1	.439	22.5
Chunichi	54	70	1	.435	23.0

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	70	50	3	.583	—
Orix	61	54	3	.530	6.5
Kintetsu	62	59	4	.512	8.5
Daiei	56	64	1	.467	14.0
Nippon Ham	58	67	1	.464	14.5
Lotte	52	65	2	.444	16.5

SATURDAY'S RESULTS

CENTRAL LEAGUE

Yokohama 3, Yakult 2
Yomiuri 5, Hiroshima 2
Chunichi 7, Hanshin 0

PACIFIC LEAGUE

Seibu 3, Lotte 2
Kintetsu 6, Orix 0
Nippon Ham 4, Daiei 2

SUNDAY'S RESULTS

CENTRAL LEAGUE

Yakult 3, Yokohama 2
Yomiuri 3, Hiroshima 1
Chunichi 2 Hanshin1

PACIFIC LEAGUE

Lotte 2, Selbu 1
Kintetsu 7, Orix 2
Nippon Ham 8, Daiei 2

FOOTBALL

MAJOR COLLEGE SCORES

Boston College 35, Rutgers 21
Brown 52, Yale 14
Bucknell 23, Lafayette 21
Colgate 27, Fordham 14
Connecticut 35, Hofstra 31
Cornell 14, Princeton 10
Dartmouth 23, Penn 15
Harvard 45, Columbia 7
Holy Cross 25, Georgetown, D.C. 21
Lehigh 16, Towson 14
New Hampshire 24, William & Mary 22
Syracuse 30, Tulane 19
Villanova 34, Maine 14
Virginia Tech 23, Temple 13
Arkansas 17, Alabama 16
Auburn 31, LSU 28
Duke 20, Army 17
Florida 33, Tennessee 20
Florida A&M 30, Jackson St. 14
Florida St. 35, Clemson 28
Georgia 42, NE Louisiana 3
Georgia Tech 28, Wake Forest 26
Minnesota 20, Memphis 17
Penn St. 57, Louisville 21
South Carolina 26, East Carolina 0
Vanderbilt 40, Texas Christian 16
W. Carolina 45, Citadel 25
Cincinnati 34, Kansas 7
Iowa 63, Iowa St. 20
Kentucky 49, Indiana 7
Michigan 38, Baylor 3
Michigan St. 23, Notre Dame 7
Ohio St. 28, Arizona 20
Purdue 28, Ball St. 14
Rice 40, Northwestern 34
Wisconsin 36, San Diego St. 10
Grambling St. 20, Langston 0
Navy 46, Southern Meth. 16
North Texas 30, Texas Tech 27
Texas A&M 66, SW Louisiana 0
Air Force 24, Colorado St. 0
Brigham Young 13, Arizona St. 10
California 40, Oklahoma 36
Nebraska 27, Washington 14
New Mexico 25, Utah St. 22
Oregon 43, Fresno St. 40, OT
Stanford 27, Oregon St. 24
Utah 56, Texas-El Paso 3
Wyoming 30, San Jose St. 10.

TENNIS

DAVIS CUP

WORLD GROUP
SEMIFINALS
UNITED STATES VS. AUSTRALIA
SINGLES

Michael Chang, U.S., def. Patrick Rafter, Australia, 6-4, 1-6, 6-3, 6-4; Pete Sampras, United States, def. Mark Philippoussis, Australia, 6-1, 6-2, 7-6 (7-5).

Pete Sampras, def. Patrick Rafter, 6-7 (6-8) 6-1 6-1 6-4

DOUBLES

Todd Woodforde and Todd Woodbridge, Australia, def. Pete Sampras and Todd Martin, U.S., 3-6, 7-6 (7-5), 6-2, 6-4.

U.S. 3, Australia 1

SWEDEN VS. ITALY
SINGLES

Jonas Bjorkman, Sweden, def. Renzo Furlan, Italy, 4-6, 6-4, 6-0, 6-4; Thomas Enqvist, def. Omar Camporese, 6-3 6-7 (5-7) 6-3.

DOUBLES

Jonas Bjorkman and Nicklas Kulti, Sweden, def. Omar Camporese and Diego Nargiso, Italy, 6-1, 6-1, 6-2.

Sweden 4, Italy 1

ASIA-OCEAN ZONE GROUP 1 PLAYOFFS
UZBEKISTAN VS. PHILIPPINES
SINGLES

Oleg Ogorodov, Uzbekistan, def. Joseph Lizardo, Philippines, 6-3, 6-4; Dmitry Tomashevich, Uzbekistan, def. Byron Jukna, Philippines, 6-1, 6-1.

Uzbekistan 5, Philippines 0

GROUP 2
FINAL
LEBANON VS. IRAN
SINGLES

Ali Hamade, Lebanon, def. Nakay Ali Nakhai, Iran, 6-3, 7-5, 6-4; Hicham Zeitine, Lebanon, d Mohamed Reza Tavakoli, Iran, 6-2, 6-1, 6-3.

DOUBLES

Ali Hamade and Nichem Zeitini, Lebanon, def. Mohamed Reza Tavakoli and Sid Akber Taheri, Iran, 6-4, 6-4, 6-3.

Lebanon 3, Iran 0

QUALIFYING ROUND
ZIMBABWE VS. AUSTRIA
SINGLES

Thomas Muster, def. Byron Black, Zimbabwe, 6-3 3-6 6-2 3-6 1-6; Wayne Black, def. Gerald Mandl, 5-7 6-3 6-3 6-0.

DOUBLES

Byron Black and Wayne Black, Zimbabwe, def. George Blumayor and Gerald Mandl, Austria, 7-5, 6-4, 6-3.

Zimbabwe 3, Austria 2

INDIA VS. CHILE
SINGLES

Leander Paes, India, def. Gabriel Silberstein, Chile, 6-3, 6-2, 6-; Marcelo Rios, Chile, def. Mahesh Bhupati, India, 6-2, 3-6, 6-3, 6-4.

Mahesh Bhupati, def. Gabriel Silberstein, 6-7 (4-7) 4-6 6-4 6-4 6-3; Marcello Rios, def. Leander Paes, 6-7 (5-7) 6-4 6-0 7-6 (7-3).

DOUBLES

Leander Paes and Mahesh Bhupathi, India, def. Marcelo Rios and Nicholas Massau, Chile, 3-6, 6-3, 6-4, 6-7 (3-7), 6-3.

India 3, Chile 2

BELGIUM VS. FRANCE
SINGLES

Filip Dewulf, Belgium, def. Fabrice Santoro, France, 6-1, 6-3, 6-3; Johan Van Herck, Belgium, def. Cedric Pioline, France, 4-6, 2-6, 7-5 (4-1), retired.

Guillaume Raoux, France def. Filip Dewulf, Belgium, 6-3, 6-4, 7-5; Kristof Van Garsse, Belgium, def. Lionel Roux, 5-7 4-6 6-1 2-6.

DOUBLES

Fabrice Santoro, Guillaume Raoux, France, def. Filip Dewulf, Libor Pimek 5-7, 7-5, 7-5, 6-1.

Belgium 2, France 3

GERMANY VS. MEXICO
SINGLES

Boris Becker, Germany, def. Luis Herrera, Mexico, 7-5, 6-2, 6-3; Marc-Kevin Goellner, Germany, def. Alejandro Hernandez, Mexico, 7-5, 6-3, 6-3.

Boris Becker, def. Alejandro Hernandez, 6-4, 7-5; Jens Knippschild, Germany, def. Luis Herrera, Mexico, 6-2, 3-6, 6-4.

DOUBLES

Marc-Kevin Goellner and Jens Knippschild, Germany, def. Oscar Ortiz and David Paditt, Mexico, 7-5 (7-4), 7-6 (7-4), 4-6, 6-3.

Germany 5, Mexico 0

RUSSIA VS. ROMANIA
SINGLES

Alexandar Volkov, Russia, def. Andrei Pavel, Romania, 6-3, 6-7 (7-5), 6-2, 6-4; Yevgeny Kafelnikov, Russia, def. Ion Moldovan, Romania, 6-4, 7-6 (9-7), 6-4;

Andrei Pavel, def. Yevgeny Kafelnikov, 4-6, 3-6, 6-4, 1-6; Alexander Volkov, def. Ion Moldovan 6-4, 6-3, 7-5

DOUBLES

Andrei Pavel and Gabriel Trifu, Romania, def. Yevgeny Kafelnikov and Andrei Olhovskiy, Russia, 6-4, 6-4, 6-4.

Russia 2, Romania 3

SWITZERLAND VS. SOUTH KOREA
SINGLES

Marc Rosset, Switzerland, def. Lee Hyung-taik, South Korea, 6-3, 7-6 (7-2), 7-6 (7-4); Ivo Heuberger, Switzerland, def Yoon Yong-il, 6-3, 6-3, 6-4.

Yoon Yong-il, def. Lorenzo Manta, 6-4 6-3; Lee Hyung-taik, def. Ivo Heuberger, 7-5 6-2.

DOUBLES

Marc Rosset and Lorenzo Manta, Switzerland, def. Yoon Yong-il and Kim Dong-huyn, South Korea, 7-6 (7-5), 7-6 (7-5), 6-4.

Switzerland 3, South Korea 2

BRAZIL VS. NEW ZEALAND
SINGLES

Gustavo Kuerten, Brazil, def. Alistair Hunter, New Zealand, 7-5, 6-3, 6-2; Fernando Meligeni, Brazil, def. Brett Steven, New Zealand, 6-3, 7-5, 6-4.

DOUBLES

Gustavo Kuerten and Jaime Oncins, Brazil, def. Brett Steven and Alistair Hunt, New Zealand, 6-0, 6-2, 6-0.

Brazil 3, New Zealand 0

CANADA VS. SLOVAKIA
SINGLES

Karol Kucera, Slovakia, def. Daniel Nestor, Canada, 6-3, 6-3, 7-6 (7-0); Dominik Hrbaty, Slovakia, def. Sebastien Lareau, Canada, 7-6 (9-7), 4-6, 7-6 (7-5), 6-3.

DOUBLES

Grant Connell and Daniel Nestor, Canada def. Dominik Hrbaty and Jan Krosick, Slovakia, 6-2, 6-3, 6-4.

Canada 2, Slovakia 1

EURO-AFRICAN ZONE
GROUP 1 PLAYOFF
HUNGARY VS. UKRAINE
SINGLES

Andrey Medvedev, Ukraine, def. Attila Savolt, Hungary, 6-1, 6-7 (1-7), 6-3, 5-7, 6-2; Kornel Bardoczky, Hungary, def. Andrey Ribalko, Ukraine, 6-0, 6-4.

DOUBLES

Andrey Medvedev and Dimitri Polyakov, Ukraine, def. Attila Savolt and Gergely Kisgyoergy, Hungary, 6-2, 6-3, 6-1.

Ukraine 3, Hungary 2

GROUP 2, 2D ROUND
PORTUGAL VS. NORWAY
SINGLES

Jan Frode Andersen, Norway def. Nuno Marques, Portugal, 7-5, 6-1, 1-6, 6-3; Christian Ruud, Norway def. Emanuel Couto, Portugal, 6-1, 6-1, 6-1.

Christian Ruud, def. Nuno Marques, 7-6 (7-2) 7-6 (7-5) 7-6 (7-2); Bernardo Mota, Portugal, def. Helge Koll, 6-2 6-3 (best of three sets).

DOUBLES

Emanuel Couto and Bernardo Mota, Portugal, def. Christian Rudd and Helge Koll, Norway, 6-4, 7-6 (7-1), 4-6, 6-2;

Norway 3, Portugal 2

FINLAND VS. POLAND
SINGLES

Bartolomiej Davrowski, Poland, def. Ville Liukko, Finland, 4-6, 7-5, 7-5, 6-1; Michal Chmela, Poland, def. Tomas Ketola, Finland, 3-6, 6-2, 2-6, 6-4, 6-4.

DOUBLES

Ville Liukko and Tuomas Ketola, Finland, def. Bartlomiej Dabrowski and Micael Chmela, Poland, 7-6 (7-4), 6-7 (9-11), 6-0, 4-6, 6-3.

Poland 2, Finland 1

AMERICAN ZONE
GROUP 1
PLAYOFFS
ARGENTINA VS. VENEZUELA
SINGLES

Hernan Gumy, Argentina, def. Jose de Armas, Venezuela, 6-0, 6-2, 6-1; Lucas Arnold, Argentina, def. Jimy Szymanski, Venezuela, 6-4, 6-3, 7-5.

DOUBLES

Pablo Albano and Luis Lobo, Argentina, def. Jimy Szymanski and Jose de Armas, Venezuela, 6-1, 6-0, 6-3.

Argentina 3, Venezuela 0

GROUP 2
FINAL
COLOMBIA VS. URUGUAY
SINGLES

Mario Rincon, Colombia, def. Federico Dondo, Uruguay, 5-7, 7-6 (7-5), 6-3, 6-0; Miguel Tobon, Colombia, def. Marcelo Filippini, Uruguay, 7-6 (7-3), 5-7, 7-6 (7-5), 6-1.

DOUBLES

Miguel Tobon and Mario Rincon, Colombia, def. Marcelo Filippini and Gonzalo Rodriguez, Uruguay, 6-2, 6-3, 6-7 (1-7), 7-5.

Colombia 3, Uruguay 0

CYCLING

TOUR OF SPAIN

Leading placings in the 169.5km, 14th stage from Oviedo on Saturday:

1, Jose-Vicente Garcia Acosta, Spain, Banesto, four hours, seven minutes and 10 seconds
2, Mariano Piccoli, Ita., Brescialat, 1:18
3, Bruno Thibout, France, Cofidis, 1:33
4, Martin Hvastija, Slov., Cantina Tollo, 1:51
5, Danny Nelissen, Neth., Rabobank, 2:34
6, Alex Zulle, Switzerland, ONCE, 10:14
7, Daniel Clavero, Spain, Estepona, 10:23
8, Enrico Zaina, Italy, Asics, 10:25
9, Fernando Escartin, Spain, Kelme, s.t.
10, Fabian Jeker, Switzerland, Lotus, 10:35

Leading placings in the 158.8 km, 15th stage from Oviedo on Sunday:

1, Pavel Tonkov, Russia, Mapei four hours, three minutes and 55 seconds
2, Alex Zulle, Switzerland, ONCE 18 secs
3, Jose Maria Jimenez, Spain, Banesto 24
4, Fernando Escartin, Spain, Kelme 28
5, Laurent Jalabert, France, ONCE 35
6, Daniel Clavero, Spain, Estepona 1:04
7, Roberto Heras, Spain, Kelme
8, Enrico Zaina, Italy, Asics same time
9, Leonardo Piepoli, Italy, Refin 1:53
10, Philippe Bordenave, France, Casino same time

OVERALL: 1, Zulle 64 hours 57 minutes and 55 seconds; 2, Escartin 2:46 behind; 3, Dufaux 3:39; 4, Zaina 5:07; 5, Heras 6:17; 6, Serrano 7:10; 7, Clavero 7:29; 8, Jalabert 9:56; 9, Faresin 11:10; 10, Ledanois 11:22.

AUTO RACING

AUSTRIAN GRAND PRIX

SUNDAY, IN SPIELBERG, AUSTRIA

1, Jacques Villeneuve, Canada, Williams-Renault, 1 hour, 27 minutes and 35.999 seconds, average speed, 210.228 km/h
2, D. Coulthard, Bri., McLaren-Mercedes, 2.909 sec. behind
3, H. Frentzen, Ger., Williams-Renault, 3.692
4, G. Fisichella, Ita., Jordan-Peug., 12.127
5, R. Schumacher, Ger., Jordan-Peug., 31.859
6, M. Schumacher, Ger., Ferrari, 33.410
7, D. Hill, Brit., Arrows-Yamaha, 37.207
8, J. Herbert, Brit., Sauber-Petronas, 49.057
9, G. Morbidelli, Ita., Sauber-Petro., 1:06.455
10, G. Berger, Aus., Benetton-Renault, 1 lap behind.

DRIVER'S STANDINGS: 1, Michael Schumacher, 68; 2, Jacques Villeneuve, 67; 3, Heinz-Harald Frentzen, 31; 4, David Coulthard, 30; 5, Jean Alesi, 28; 6, Gerhard Berger, 21; 7, Giancarlo Fisichella, 20; 8, Eddie Irvine, 18; 9, Olivier Panis, 15; 10, Mika Hakkinen and Johnny Herbert, 14.

CRICKET

ZIMBABWE VS. NEW ZEALAND
FIRST TEST, FOURTH DAY
SUNDAY, IN HARARE, ZIMBABWE

Zimbabwe: 298 and 311-9
New Zealand: 207 and 64-2

INDIA VS. PAKISTAN
SAHARA CUP
SATURDAY, IN TORONTO

Pakistan: 159-6 (28 overs)
India: 162-3 (25.3 overs)
India leads 5 match series 3-0.

SOCCER

ENGLISH PREMIER LEAGUE

Aston Villa 2, Derby 1
Bolton 0, Manchester United 0
Everton 4, Barnsley 2
Leeds 0, Leicester 1
Sheffield Wednesday 0, Coventry 0
Southampton 1, Liverpool 1
Tottenham 0, Blackburn 0
West Ham 0, Newcastle 1
Wimbledon 0, Crystal Palace 1
Chelsea 2, Arsenal 3

ITALIAN FIRST DIVISION

Atalanta 0, Sampdoria 2
Bari 0, Bologna 0
Empoli 1, Lazio 0
Internazionale 3, Fiorentina 2
Juventus 4, Brescia 0
Piacenza 1, AC Parma 3
AS Roma 3, Lecce 1
Vicenza 1, Napoli 1

FRENCH FIRST DIVISION

Strasbourg 0, Bordeaux 0
Lens 2, Toulouse 0
Guingamp 1, Nantes 0
Marseille 2, Chateauroux 0
Auxerre 1, Lyon 2
Cannes 1, Rennes 1
Montpellier 0, Monaco 2

DUTCH FIRST DIVISION

PSV Eindhoven 4, Sparta Rotterdam 2
Willem II Tilburg 5, Volendam 2
Fortuna Sittard 1, Graafschap Doetinchem 0
Twente Enschede 1, MVV Maastricht 0
RKC Waalwijk 3, Utrecht 1
Groningen 1, Vitesse Arnhem 1
Roda JC Kerkrade 0, Heerenveen 2
NEC Nijmegen 1, Ajax Amsterdam 4

GERMAN BUNDESLIGA

VfL Bochum 2, VfL Wolfsburg 1
Schalke 04 2, Hamburg SV 2
Cologne 1, Bayern Munich 3
Arminia Bielefeld 2, Bayer Leverkusen 1
Werder Bremen 2, Borussia Dortmund 1
Hansa Rostock 4, Hertha Berlin 0
Karlsruhe SC 2, Kaiserslautern 4
TSV 1860 Munich 0, MSV Duisburg 1
VfB Stuttgart 3 Bor. Moenchengladbach 0

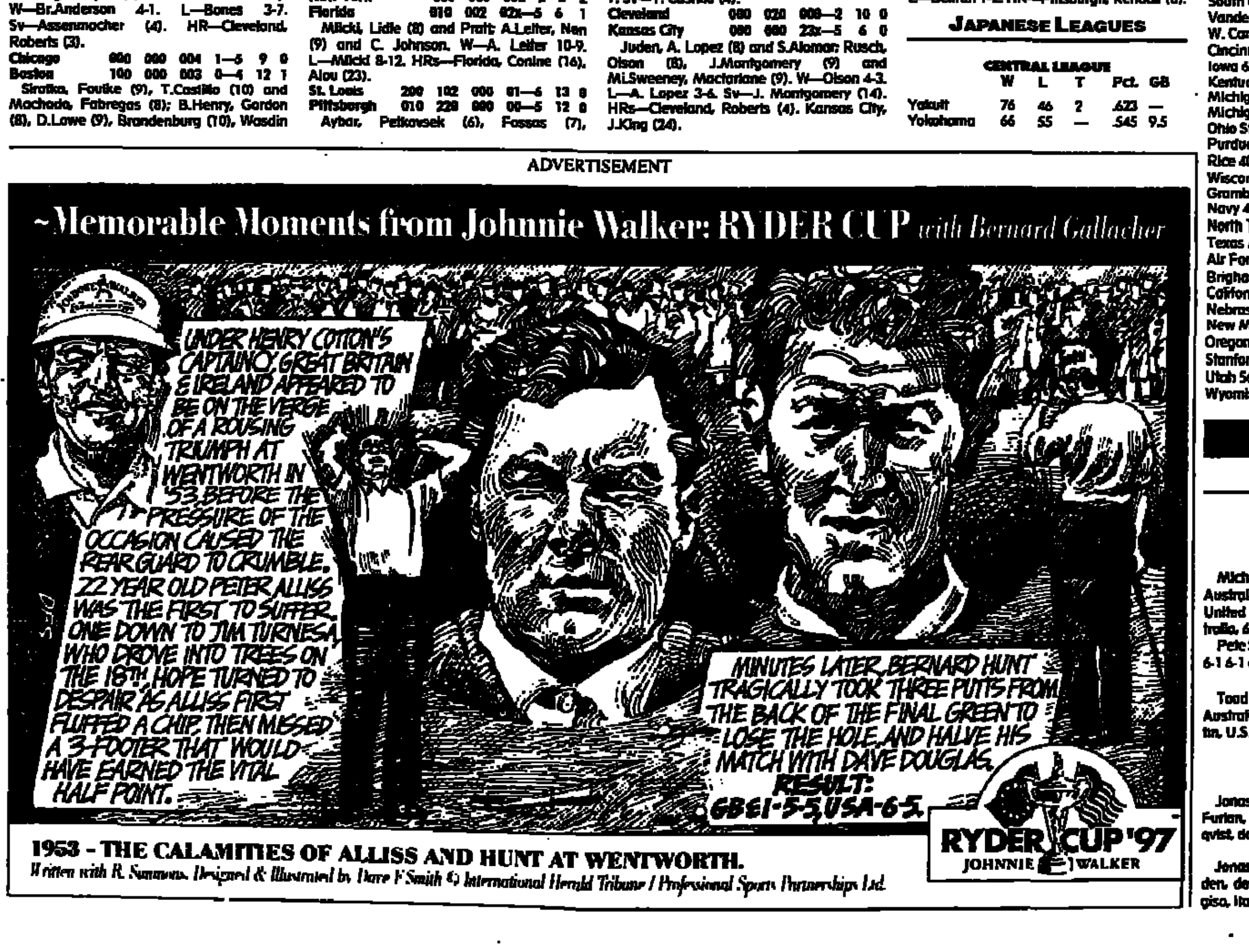
MAJOR LEAGUE SOCCER

New England 3, New York-New

STANDINGS: Eastern Conference x-D.C. 52; y-Tampa Bay 42; Columbus 35; New England 34; NY-NJ 32. Western Conference xy-Kansas City 46; y-Dallas 42; y-Los Angeles 38; Colorado 35; San Jose 30. (x-clinched conference title, y-clinched playoff spot)

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RYDER CUP '97
JOHNNIE WALKER

1953 - THE CALAMITIES OF ALLISS AND HUNT AT WENTWORTH.
Written with R. Summers. Designed & Illustrated by Dave F Smith © International Herald Tribune / Professional Sports Partnerships Ltd.

SPORTS

Pirates Rout the Cardinals, 14-2

Compiled by Our Staff From Dispatches

Mark McGwire's offense has stalled just when Pittsburgh got one going, with Jose Guillen and Turner Ward homering in a 14-2 victory Sunday over St. Louis — the Pirates' second romp in as many days.

The Pirates won 10-1 Saturday, giving them three one-sided victories in their last four games. They beat Houston 12-3 Thursday during a week in which one of the National League's worst power-hitting teams hit 14 homers in seven games.

The power surge has not spilled over into the Cardinals' dugout. McGwire, the major league home run leader with 54, went hitless for the second game in a row — he was 0-for-4 — and now is 1-for-12 with one homer in the series.

He needs seven homers in the Cardinals' last seven games, one against Pittsburgh and three each at home against Cincinnati and Chicago, to tie Roger Maris's 1961 record of 61 homers in a season.

Despite the Pirates' recent power surge, only three NL teams — the Phillies, Cubs and Astros — have hit fewer homers than the Pirates' 128.

The offensive breakout also apparently came too late to save the Pirates in the NL Central race. They remain 3½ games behind Houston with seven to play despite winning five of their last seven.

Red Sox 5, White Sox 2 In what could be his final time up in Fenway Park with the Red Sox, Mo Vaughn drew a leadoff walk to start a three-run eighth inning Sunday and give Boston a 5-2 victory over visiting Chicago.

The former AL MVP, who has been critical of and criticized by Boston management during contract negotiations, has said he does not think he will be back with the team next year. His three-year, $10.6 million contract runs through 1998, but the Red Sox could trade him before then to avoid coming away with nothing.

After receiving a standing ovation from some — but not all — of the crowd, Vaughn walked and was replaced by a pinch-runner, Shane Mack. Mack moved to second on Wilfredo Cordero's single, took third on Reggie Jefferson's bunt and, after an intentional walk to Bill Haselman and Troy O'Leary's popup, scored when Tom Fordham walked Mike Benjamin.

In games played Saturday:

Yankees 4, Blue Jays 3 The New York Yankees clinched a playoff spot for the third straight year, beating the Toronto Blue Jays, 4-3, in 11 innings as David Cone pitched five encouraging innings.

Orioles 12, Tigers 8 Eric Davis, who returned this week after colon cancer surgery, snapped an 0-for-26 slump with two hits, driving in three runs, as Baltimore won at home and reduced its magic number for clinching the AL East to three.

Athletics 4, Mariners 3 In Oakland, Ken Griffey Jr. failed to homer in five at-bats, and Seattle's magic number for clinching the AL West remained at three. Griffey, who hit his 53rd home run in the ninth inning Friday night, went 1-for-5 with two walks and has seven games remaining to eclipse Roger Maris's record of 61 homers in a season.

Angels 7, Rangers 6 Eliminated from the wild-card race earlier in the day, visiting Anaheim rallied behind Garret Anderson and Luis Alicea.

White Sox 6, Red Sox 4 In Boston, Nomar Garciaparra became the first Red Sox rookie to reach 200 hits since Johnny Pesky in 1942, but Chicago's Ozzie Guillen keyed a three-run eighth with a two-run single off Steve Avery (6-7).

Royals 5, Indians 2 In Kansas City, Johnny Damon hit a tie-breaking triple in the eighth inning as Cleveland's magic number for its third straight AL Central title stayed at four.

Twins 6, Brewers 1 Pat Meares homered and LaTroy Hawkins (6-11) held visiting Milwaukee without a hit until the sixth.

Cal Eldred (13-14) gave up two runs and six hits in six innings with six walks and two hit batters.

Rockies 2 Dodgers 1 Eddie Murray grounded into a game-ending double play with the bases loaded, and the Los Angeles Dodgers lost to the Colorado Rockies, 2-1, remaining one game back in the NL West.

Padres 12, Giants 2 In San Diego, Greg Vaughn drove in five runs with a double and homer, and Tony Gwynn had three hits and three RBIs to raise his batting average three points to .3699. Gwynn retook the NL lead, just ahead of Colorado's Larry Walker at .3696.

Phillies 3, Cubs 2 Ryne Sandberg did not want his special day to end like this.

The retiring Chicago Cubs' star was honored before the game, then went 0-for-4 and misplayed a grounder that allowed the visiting Phillies to score the go-ahead run in a three-run ninth inning.

Mets 7, Marlins 3 Brian McRae hit a first-inning grand slam and visiting New York averted elimination from wild-card contention — at least temporarily.

Astros 4, Reds 1 In Cincinnati, Jeff Bagwell hit his 42d homer and Mike Hampton allowed five hits over eight-plus innings. Houston reduced its number for clinching the NL Central title to five.

The Astros, looking for their first division title since 1986, have a 3½-game lead over the Pirates.

Pirates 10, Cardinals 1 In Pittsburgh, the Pirates kept Mark McGwire in the ballpark and stayed on the fringe of the NL Central race behind Esteban Loaiza's complete-game pitching.

McGwire, who hit his major-league leading 54th homer on Friday, was 0-for-4 with two strikeouts as Loaiza constantly fooled him with low-and-away breaking balls.

Braves 3, Expos 1 Tom Glavine, who hasn't lost to Montreal in nearly five years, pitched a two-hitter to beat Pedro Martinez in Atlanta.

Glavine (14-7) walked three and struck out six in improving to 11-0 against the Expos with three no-decisions since he lost to them on Aug. 25, 1992. *(AP, NYT)*

BASEBALL ROUNDUP



Pierre DuCharme/Reuters

Fred Taylor, a Gator running back, being pursued by three Volunteers. Florida beat Tennessee, 33-20.

The Gators Spoil Manning's Big Day

By Malcolm Moran
New York Times Service

GAINESVILLE, Florida — He had chosen to be here at the expense of his bank account and his peace of mind. Peyton Manning had heard the threat that the Florida Gators would seek to knock him out of a game with national championship implications. What Manning discovered in the heat of Florida Field, was a far more efficient way for the Gators to say goodbye.

In the biggest game of his final college season, they ran him out of town.

Florida's 33-20 victory Saturday, its fifth in as many years over Tennessee, made use of an interception of a Manning pass, and a 89-yard touchdown return by Tony George. The Gators surrounded Manning. They forced him to the outside, and, too often for the Volunteers' championship hopes, they reduced him to the role of spectator.

The Gators, ranked No. 3 in The Associated Press poll, manufactured touchdown drives of 69, 63 and 77 yards under the reliable guidance of Doug Johnson, the sophomore quarterback. Johnson threw three touchdown passes and overcame two interceptions. Manning was intercepted twice, his fifth and sixth against Florida in the last two years. The first interception, and George's return, gave the Gators a 14-0 lead that No. 4 Tennessee could never overcome.

In other games, reported by The Associated Press:

No. 1 Penn St. 57, Louisville 21 At Louisville, Curtis Enis rushed for three touchdowns and Joe Jurevicius caught three TD passes as Penn State ran its winning streak over non-Big Ten foes to 19. The Nittany Lions (3-0) scored the last 22 points of the first half for a 50-14 lead over Louisville (1-3).

No. 7, Nebraska 27, No. 2 Washington 14 At Seattle, Washington lost starting quarterback Brock Huard with a sprained ankle in the first quarter and replaced him with freshman Marques Tuiasosopo, who rallied the Huskies with two touchdown passes. But it wasn't enough against Nebraska, which outrushed the Huskies 384 yards to 43.

No. 5 Florida St. 35, No. 16 Clemson 28 At Clemson, Peter Warrick scored three long touchdowns, including a 90-yard punt return, as Bobby Bowden won his 200th game at Florida State. Clemson (2-1, 1-1 ACC) pulled to 28-25 on Nealon Greene's 17-yard TD pass to Brian Wofford and a 2-point conversion, but Florida State (3-0, 2-0) came right back with an 80-yard TD catch by Warrick.

No. 6 N. Carolina 40, Maryland 14 At College Park, Oscar Davenport passed for 281 yards and two touchdowns in his first start of the season. The Tar Heels (3-0, 1-0 ACC) trailed 7-0 in the second quarter, but scored 10 points off two fumble recoveries deep in Maryland (0-3, 0-2) territory to go up 17-7 early in the third quarter.

No. 8 Michigan 38, Baylor 3 At Ann Arbor, Michigan didn't allow a touchdown for the second straight week and the offense gained 532 yards to rout Baylor (1-2). It was the second week in a row that Michigan (2-0), a Big Ten team, manhandled a Big 12 team. The Wolverines beat Colorado 27-3 a week earlier.

No. 9 Ohio St. 28, Arizona 20 At Columbus, Andy Katzenmoyer picked off a shovel pass and returned it 20 yards for a TD as Ohio State improved to 3-0. The Buckeyes had to recover an onside kick and pick up a first down on a third-down running play with 1:30 left to lock up the victory over Arizona (1-2).

No. 12 Auburn 31, No. 10 LSU 28 At Baton Rouge, Rusty Williams scored two touchdowns, including the winning 1-yard dive for Auburn (3-0, 2-0 SEC) with 30 seconds left.

The score came after LSU (2-1, 1-1) was penalized for having 12 men on the field. LSU had a final chance to force overtime, but Wade Richey's 64-yard field goal attempt was blocked as the game ended.

Brigham Young 13, No. 14 Arizona St. 10 At Tempe, Owen Pochman's 32-yard field goal with 4:39 remaining lifted BYU over Arizona State (2-1). It was the Cougars' first victory in Tempe since 1965 and only their sixth in a 26-game series that started in 1935.

Arkansas 17, No. 11 Alabama 16 At Tuscaloosa, Stoerner led Arkansas on the winning 58-yard scoring drive, one yard more than the fourth-quarter drive the Razorbacks used to beat the Tide in 1995, 20-19. It was the first loss for the new Alabama coach, Mike DuBose.

No. 13 Iowa 63, Iowa St. 20 At Ames, Iowa, Tavian Banks scored four touchdowns and Tim Dwight caught three TD passes as Iowa routed its third straight opponent. The Hawkeyes (3-0), who are averaging 61 points, scored the most points by either team in the 45-game series. Iowa State fell to 0-4.

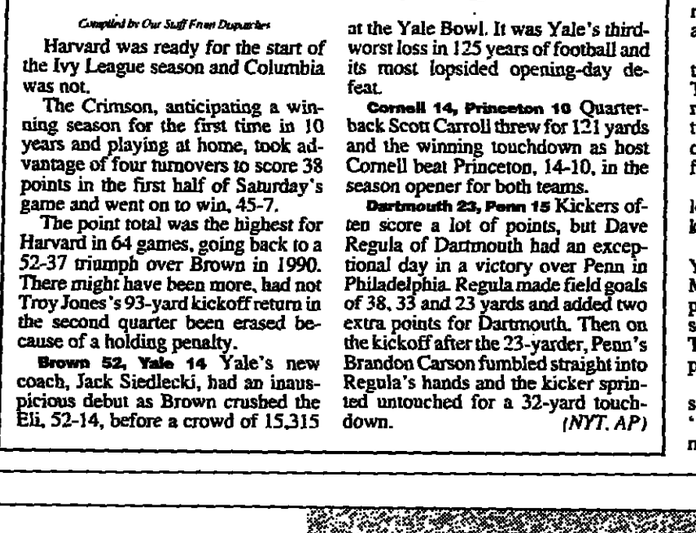
No. 17 Michigan St. 23, Notre Dame 7 At South Bend, Renaud rushed for 112 yards and Irvin ran for 106 as Michigan State dominated Notre Dame. The home fans booed the Notre Dame offense as it walked off the field midway through the fourth quarter, and booed again when Ron Powlus's pass was intercepted with two minutes left.

No. 18 Virginia Tech 23, Temple 13 At Temple, Ken Oxendine ran for 160 yards and two touchdowns as Virginia Tech (3-0, 3-0 Big East) survived a scare from Temple (1-3, 1-1), which twice fumbled away scoring chances in the fourth quarter.

No. 19 Washington St. 35, Illinois 22 Ryan Leaf threw four touchdown passes as visiting Washington State (3-0) beat winless Illinois (0-3). Leaf was 21-of-36 for 302 yards, giving him 1,038 yards for the season.

No. 21 Stanford 27, Oregon St. 24 Greg Comella scored on a 2-yard run with 27 seconds to left to give Stanford (2-1) the victory over host Oregon State (1-1).

COLLEGE FOOTBALL



Mike Segar/Reuters

David Cone pitching against the Blue Jays during the Yanks' 4-3 victory.

Harvard Wins Ivy Opener

Compiled by Our Staff From Dispatches

Harvard was ready for the start of the Ivy League season and Columbia was not.

The Crimson, anticipating a winning season for the first time in 10 years and playing at home, took advantage of four turnovers to score 38 points in the first half of Saturday's game and went on to win, 45-7.

The point total was the highest for Harvard in 64 games, going back to a 52-37 triumph over Brown in 1990. There might have been more, had not Troy Jones's 93-yard kickoff return in the second quarter been erased because of a holding penalty.

Brown 52, Yale 14 Yale's new coach, Jack Siedlecki, had an inauspicious debut as Brown crushed the Eli, 52-14, before a crowd of 15,315 at the Yale Bowl. It was Yale's third-worst loss in 125 years of football and its most lopsided opening-day defeat.

Cornell 14, Princeton 10 Quarterback Scott Carroll threw for 121 yards and the winning touchdown as host Cornell beat Princeton, 14-10, in the season opener for both teams.

Dartmouth 23, Penn 15 Kickers often score a lot of points, but Dave Regula of Dartmouth had an exceptional day in a victory over Penn in Philadelphia. Regula made field goals of 38, 33 and 23 yards and added two extra points for Dartmouth. Then on the kickoff after the 23-yarder, Penn's Brandon Carson fumbled straight into Regula's hands and the kicker sprinted untouched for a 32-yard touchdown. *(NYT, AP)*

Tyson Leaves Holyfield at Ali's Altar

By Timothy W. Smith
New York Times Service

LOUISVILLE, Kentucky — Evander Holyfield and Mike Tyson still have not spoken to each other since their heavyweight championship fight in Las Vegas on June 28, when Tyson bit Holyfield's ears and was disqualified in the third round.

They were supposed to share a stage at Freedom Hall here Saturday night, at a gala honoring the former heavyweight champion Muhammad Ali and concluding a week of amateur boxing in the first annual Ali Cup.

Holyfield showed up. Tyson did not, though he sent a check for $300,000 for Ali's charitable foundations and a promise of another $300,000 after his next fight.

Tyson's image was damaged again as he stood up Ali, arguably the greatest ambassador the sport of boxing has ever had, at a tribute to him in his hometown.

Robert Hope, a member of the Atlanta-based public-relations firm handling the Ali Cup and the tribute to Ali, said Tyson had had problems with his chartered flight from New Jersey.

The organizers of the tribute did not find that out until the event started at 8 P.M., when the people sent to meet Tyson at the Louisville airport called to say he had not arrived at the scheduled time. Hope said much of the day had been spent negotiating with Tyson's representatives to ensure the boxer's presence at the event.

Organizers of the gala had said that George Foreman and Joe Frazier, bitter rivals of Ali in his heyday, also would attend, but they did not.

Even though the organizers had billed the planned meeting of Holyfield and Tyson as a sort of heavyweight boxing reconciliation, Holyfield seemed perturbed that any apology from Tyson over the biting incident would be public fodder.

"I'm not here for that," he said as he left the reception. "I'm here for the kids."

Two weeks ago, while he was in New York promoting his coming bout with Michael Moorer, Holyfield said he expected Tyson to apologize to him at some point, but he said he thought that Tyson would do it in his own time and in private.

But Holyfield said he was happy to support Ali and amateur boxing. "Without it, it's like not going to grammar school," Holyfield said.

THIS WEEK ON EUROSPORT

The CART Indy car World Series reaches its final race of the season; can Alex Zinardi celebrate becoming the second European to win the series with a last race win?

Indy car:
28 September, LIVE, The Fontana Grand Prix
The new high speed Californian Speedway is the venue from the last round of the Championship and both Zinardi and Mark Blundell will want to sign off with a win

Cycling:
22 - 28 September, LIVE, Tour of Spain
The tour finishes its marathon journey around the roads of Portugal and Spain with a final stage around the glorious setting of Madrid

Motorcycling:
26 - 28 September, LIVE, The Indonesian Grand Prix
With Valentino Rossi and Mick Doohan having already claimed the 125 and the 500 Championships, all eyes will be on the epic battle between Biaggi, Waldman and Harada in the 250 class

Tennis:
26 - 28 September, The ATP Tour, Bucharest, Romania
Will the clay courts of Bucharest play host to another all Spanish final as the players battle it out for the $500,000 prize money?



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WORLD ROUNDUP

Montgomerie Falls Short, Talks Big

GOLF Greg Turner of New Zealand held off a charging Colin Montgomerie to win the British Masters on Sunday in Coventry, England, as Europe's Ryder Cup team wound up its dress rehearsals for this week's battle against the United States.

Despite his near-miss, one shot behind Turner, Montgomerie gave the cup team a major boost for its defense of the title with a sparkling eagle-birdie finish to complete a nine-under-par 63. Turner carded a two-under-par 70 to win with a total of 275, 13 under par, after holing a five-foot victory putt at the last hole. The New Zealander bogeyed the long 17th hole as his lead was cut to one shot, but after hitting a bunker at the last he sank the crucial putt.

Montgomerie said he expected a European victory in the Ryder Cup on Sunday. "I really do feel we are going to win," he said. "The American team isn't possibly as strong as we think it is and a lot of their guys are beatable and have been beaten." *(Reuters)*

Zulle Cushions His Lead As Tonkov Wins Stage

CYCLING Pavel Tonkov of Russia won the 15th stage of the Tour of Spain on Sunday as Fernando Escartin moved into the overall No. 2 spot.

Tonkov, who also won the tour's 13th stage, overtook Escartin about three kilometers (1.86 miles) from the finish to win with a time of 4 hours, 3 minutes, 55 seconds. Sunday's race was a 159-kilometer ride from the northern city of Oviedo to the Covadonga Lakes in Cangas de Onis.

The Russian had said he planned to quit the race to go see his newborn son, Nicholas, in Madrid after winning Friday's stage, but changed his mind when the tour planners flew him in for a brief visit.

Alex Zulle of Switzerland pulled considerably ahead in the overall standings. With a time of 64 hours, 57 minutes, 55 seconds, he is 2:46 ahead of the pack.

Zulle's compatriot, Laurent Dufaux, who has spent the greater part of the race just behind Zulle, lost his seat to Escartin of the Kelme-Costa Blanca team.

Monday's stage is a 195-kilometer (121-mile) race from Cangas de Onis to the Atlantic coastal city of Santander. *(AP)*

Albert Trial Set to Open

The trial of the U.S. sportscaster Marv Albert is expected to include graphic testimony about rough sex. But whether Albert goes to prison hinges on whether jurors believe his accuser was a willing participant, legal experts say.

Albert's trial on charges of forcible sodomy and assault and battery begins Monday. A 42-year-old Virginia woman with whom Albert had a 10-year relationship alleges he bit her as many as 15 times and forced her to perform sexual acts. Albert could be sentenced to life in prison if convicted.

Prosecutors have said the case will include testimony that Albert wanted another man to join him and the woman in a room at the Ritz-Carlton Hotel last Feb. 12.

The options of Albert's defense team are limited by tests that show Albert's DNA was found on the woman's skin and clothing after the alleged attack. "They got him," said Anne Coughlin, a law professor at the University of Virginia. "At this point he doesn't have any choice — he can either confess and say, 'she's right, essentially I raped her,' or he can try to challenge her claim that it was against her will." *(AP)*

U.S. and Sweden Gain Davis Cup Showdown

Sampras and Bjorkman Triumph

The Associated Press

WASHINGTON — The United States, behind the scorching serves of Pete Sampras, eliminated Australia on Sunday and is headed to the Davis Cup finals.

Sampras beat Patrick Rafter, the U.S. Open champion, 6-7 (6-8), 6-1, 6-1, 6-4, on Sunday to give the United States an insurmountable 3-1 lead in the best-of-5 semifinals. The United States will travel to Gothenburg, Sweden, for the Nov. 28 to 30 finals. Sweden defeated Italy, 4-1, after sweeping Sunday's reverse singles.

Sampras did not face a break point the entire match, did not give up a single point on his serve in the second set and served seven games to love. He hit 14 aces and had just one double fault in the 2-hour, 19-minute match.

Sampras's victory rendered Sunday's second reverse singles meaningless. Michael Chang played Mark Philippoussis in a match reduced to best-of-3 sets.

After his winning volley on match point, Sampras raised both hands and hugged the team's captain, Tom Gullikson. Sampras and Gullikson then each ran a victory lap with an American flag to the cheers of 7,500 at the FitzGerald Tennis Center.

The United States will be playing in the finals for the 59th time and will be seeking its record 32d title. The U.S. team last won the Davis Cup in 1995, when Sampras led a 3-2 victory over Russia in Moscow.

Sampras's play was as intense as it was overwhelming. Twice he leaped to spike an overhead volley rather than just simply putting it away. He often glared at Rafter, who earlier this month won the U.S. Open crown that Sampras had come to own for much of the 1990s.

Rafter made a valiant effort to stay in the match through the first set, saving four break points in the fourth game and winning a titanic tiebreaker with a forehard passing shot on Sampras's serve that gave the Australian set point and had him pumping both fists.

But Rafter's serve-and-volley game began to desert him. He netted many easy forehand volleys and Sampras began hitting return winners against the Australian's usually solid serve. Rafter even had trouble with his toss, at one point kneeling with his head down to regain his composure after two consecutive wayward tosses.

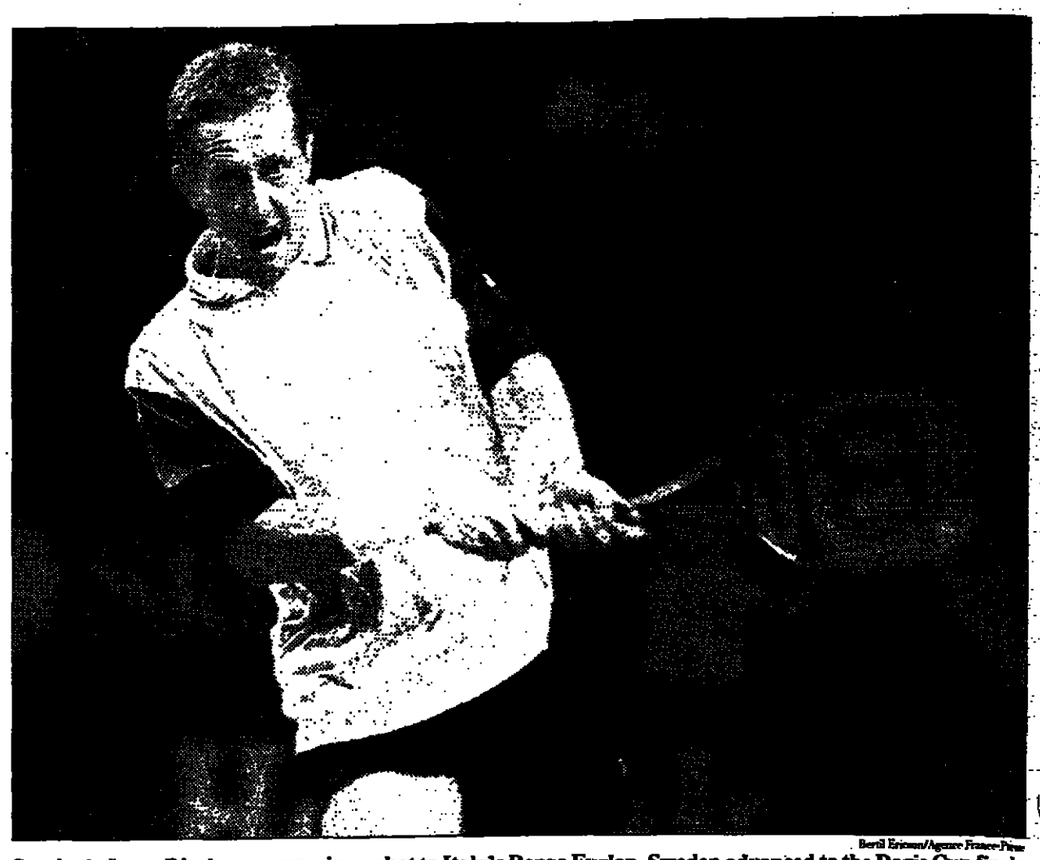
The United States led 2-0 after Friday's singles, when Chang defeated Rafter and Sampras beat Philippoussis. Mark Woodforde and Todd Woodbridge kept the Australians alive with a doubles victory over Sampras and Todd Martin on Saturday.

In Norrkoping, Sweden, meanwhile, Sweden advanced to the Davis Cup finals for the second straight year when Jonas Bjorkman defeated Renzo Furlan of Italy, 4-6, 6-4, 6-0, 6-4.

Bjorkman's victory in reverse singles gave Sweden, the most successful Davis Cup nation the two past decades, an unbeatable 3-1 lead in the best-of-5 series.

Thomas Enqvist beat Omar Camporese, 6-3, 6-7 (5-7), 6-3, in the last reverse singles, making the final score 4-1. The final match was shortened to best-of-3 sets after Bjorkman's clincher.

Bjorkman, a U.S. Open semifinalist in singles and a finalist in doubles with his compatriot Nicklas Kulti two weeks ago, was his country's outstanding player. He won both singles and teamed with Kulti to win Saturday's doubles.



Bertil Ericson/Agence France-Presse

Sweden's Jonas Bjorkman powering a shot to Italy's Renzo Furlan. Sweden advanced to the Davis Cup final.

■ Seles Beats Sanchez Vicario

After two hours and a final set-tiebreaker, Monica Seles finally managed to surprise Arantxa Sanchez Vicario, The Associated Press reported from Tokyo.

A drop shot on her fourth match point gave the top seed a 6-1, 3-6, 7-6 (7-5) triumph Sunday and her fourth championship in the Toyota Princess Cup, including two in a row with victories over Sanchez Vicario in the final. She also won in 1991 and 1992.

Up until the final point, Sanchez Vicario said, "every time she hit a drop shot I came back with a winner. I was surprised she did that on match point. It bounced very weird. I tried to go, and the ball went the other way."

Bledsoe Hits For 2 TDs as Patriots Drub Hapless Bears

The Associated Press

Unbeaten but unimpressive, the Patriots picked on another poor team.

Drew Bledsoe, the NFL's top-ranked quarterback, threw two scoring passes as New England beat the winless and wounded Chicago Bears, 31-3, on Sunday. But the host Patriots wasted some excellent chances against the team that had allowed the most points in the NFL.

NFL ROUNDUP

And one week after Curtis Martin ran for a team-record 199 yards, New England struggled on the ground until he broke loose for a 70-yard touchdown run with 7:44 left.

Those problems didn't matter for the NFL's top-ranked offense: Chicago (0-4) has one of the worst attacks and played without running back Rashaan Salaam, who is out for the season with a broken ankle.

Moreover, starting Rick Mirer, the second player drafted in 1993 behind Bledsoe, in place of Erik Kramer, didn't help against an outstanding defense that has given up seven or fewer points in three of its games. Mirer was 17-of-25 for 154 yards and two interceptions.

The Patriots (4-0) had beaten San Diego and Indianapolis before beating the New York Jets in an emotional overtime game against former coach Bill Parcells. The schedule gets much tougher after a bye week when New England plays its next game at Denver.

Bledsoe's touchdown plays covered 7 yards to Vincent Brisby in the first quarter and 52 to Troy Brown in the second on which Brown ran the last 43 yards. The quarterback was 24-of-37 for 301 yards and one interception.

Jets 23, Raiders 22 Their offense and defense couldn't do much, so the New York Jets did something special with their special teams. In the process, they avoided tying an NFL record for home futility with a 23-22 comeback victory over the Oakland Raiders.

Corwin Brown blocked a field goal and Ray Mickens sped 72 yards after grabbing the loose ball for the winning touchdown with 12:51 remaining. In the third quarter, Brown caught Brian Hansen's short pass on a fake punt and turned it into a 26-yard gain, setting up rookie John Hall's third field goal, from 26 yards.

The Jets (2-2) had lost 13 straight home games, one short of the league mark held by Dallas (1988-89). Two of those losses were to the Raiders, who had won five in a row and 11 of the last 12 against the Jets.

The Raiders (1-3) appeared headed for another victory as Jeff George threw for 374 yards and three touchdowns, beating cornerback Otis Smith on each. Tim Brown, the league's leading receiver entering the game, had 10 catches for 153 yards, with a 29-yard TD, and James Jett caught five passes for 148 yards and two scores — a 56-yarder in the first quarter and an 11-yarder in the second.

But as they've done for much of the young season, the Raiders made critical mistakes to cost them a victory. Cole Ford missed field goals of 44, 27 and 47 yards, botched an extra point and had the crucial block by Brown. The snaps were poor or mishandled on three of the kicks.

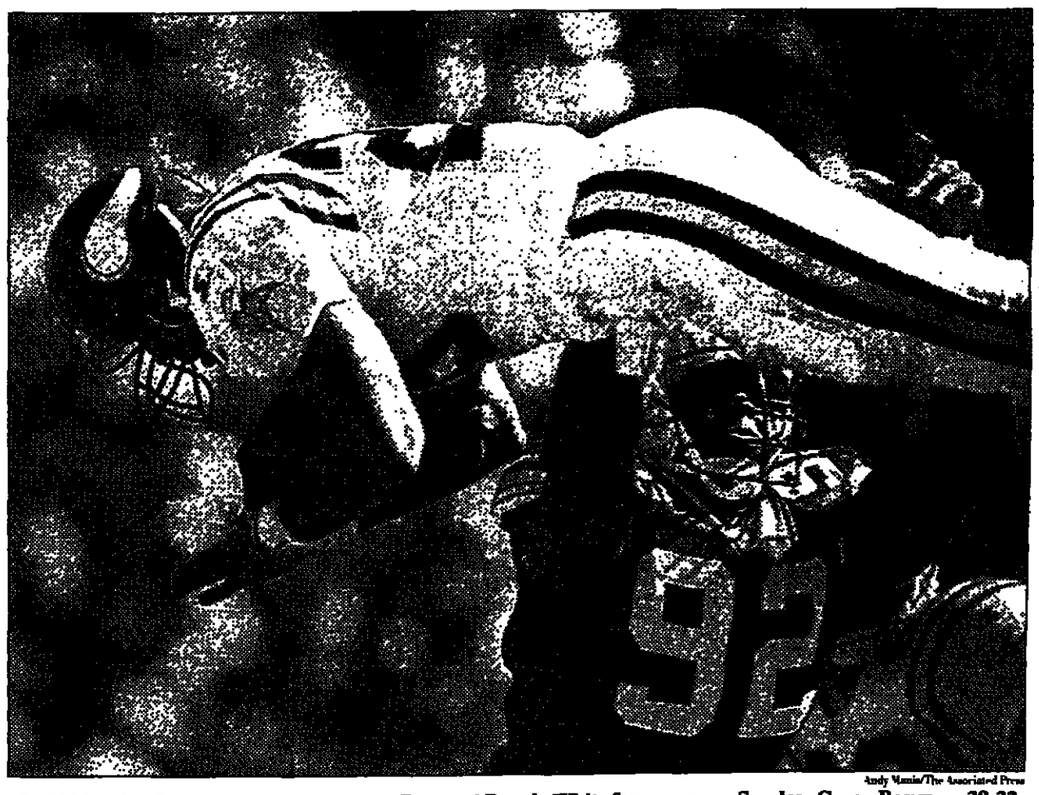
Trailing by a point, they suddenly couldn't protect George, who was sacked twice on one series. On the next, Ford's 47-yarder was wide right.

Napoleon Kaufman, coming off a 140-yard, two-touchdown effort against Atlanta, gained 126 yards but didn't break any long runs.

But Ford's problems and Hall's marksmanship — he also made field goals from 34 and 47 — made the difference.

Until the fourth-quarter turnaround, the Raiders kept working on and over Smith, who played cornerback for the Patriots in the Super Bowl last January. He was no match Sunday for the speedy Jett, and was not within five steps of Tim Brown on his touchdown.

The Raiders went for a 2-point conversion after Brown's TD, but Jett slipped in the end zone, sparing Smith further embarrassment.



Andy Mannis/The Associated Press

The Vikings' Robert Smith diving over the Packers' Reggie White for a score on Sunday. Green Bay won, 38-32.

Villeneuve Victorious in Austrian Prix

The Associated Press

SPIELBERG, Austria — Jacques Villeneuve of Canada used a little help from his teammate to draw within a point of Michael Schumacher in the season's drivers' standings after winning the Austrian Grand Prix on Sunday.

Second in the race was David Coulthard, who won the last race in Monza two weeks ago in his McLaren-Mercedes. Villeneuve led Coulthard by 2.9 seconds at the end. Heinz-Harald Frentzen took third place. Schumacher, in a Ferrari, was given a 10-second stop-and-go penalty for overtaking Frentzen, Villeneuve's Williams-Renault teammate, while under the yellow, or caution flag on the 39th lap.

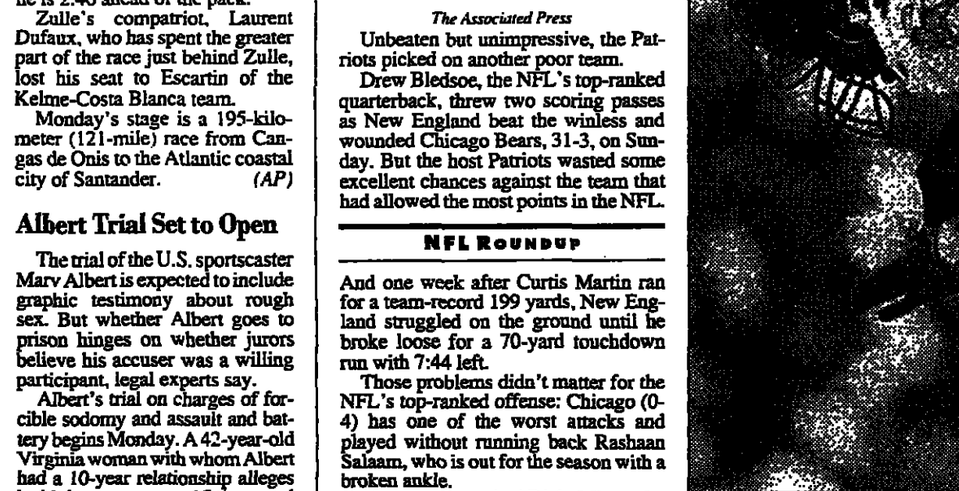
"It's a shame," Schumacher said about his penalty. "The problem was that I was following two cars and really fighting very hard and I didn't see the yellow flag."

Schumacher came in on the 50th lap while in third, 12 seconds behind. He went out in ninth place, 36 seconds behind, counting his slowdown and acceleration. Schumacher climbed back up to sixth, 33 seconds behind, to gain a point, while Villeneuve scored 10.

In the drivers' standings, Schumacher now has 68 points and Villeneuve has 67. Frentzen is third with 31 points. It was the 10th career victory for Villeneuve and his sixth this year. Giancarlo Fisichella of Italy and Ralf Schumacher, Michael's younger brother, were fourth and fifth in Jordan-Peugeots.

The defending world champion, Damon Hill, finished seventh, after he was overtaken by Schumacher on the penultimate lap.

Villeneuve spent the first 23 laps in third and took over the lead when Jarno Trulli pitted on the 38th lap.



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